

# Fauquier County Economic Indicators

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**June 30, 2012**  
**Office of Management and Budget**

## **I. Executive Summary**

Fiscal health can be measured by a myriad of factors which provide insight to current and historical economic conditions, future projections, budget preparation, and determining needs or priorities of the community.

The data provided in this document is a means of presenting fiscal health characteristics in terms of current trends as a quick snapshot of the market today which can indicate where the market is moving or of historical trends to display the trends of the market over multiple fiscal or calendar years. Current trends provide context for the historical trends of the economic environment, its prolonged expansion or contraction of the market, and signs of change.



The information that follows was derived from various sources including federal, state, or local government and the private sector. The information collected is based on 8 key categories for both current and historical trends: bankruptcy filings, businesses, community development fees and permit issuances, employment, environmental services tonnage data, residential sales and foreclosures, local revenues, and taxable sales.







Section II of the document provides a table of key observations for both current and historical economic indicators. For current economic indicators, observations are given a rating of positive, neutral, or negative based on their impact to the economic environment. Section III of the document provides overview of the economic indicator categories with various graphs. The section is divided into two sections: current and historical economic indicators.

## II. Trends and Analysis

### A. Current Economic Indicators

The following table displays key observations in the review of current economic indicators. The trend for each key indicator listed below is rated by one of the following symbols:

-  **Positive trends observed; can be an indicator of market expansion**
- **Neutral trends observed; changes can be an indicator of decline or growth**
-  **Negative trends observed; can be an indicator of market contraction**

Category	Indicator	Trend	Comments
Community Development	Community development fees	-	Community development fees remained relatively flat from FY 2011 to FY 2012 with minimal growth year-over-year.
Community Development	Building & new residential construction permits		New residential construction permits continue to improve with average annual growth of 16% since FY 2009. Building permits have also improved from their historical low in FY 2010.
Employment	Unemployment rate	-	The County's unemployment rate was the 5 <sup>th</sup> lowest in the State at 4.8% in June 2012. While the unemployment rate of the County is still elevated from the pre-recession level of 2.7% in December 2007, it has been relatively stable over the last 12-18 months.
Employment	Unemployment insurance claims	-	Continued and initial claims remain stable with limited seasonal fluctuations.
Environmental Services	Landfill tonnage	-	Landfill tonnage appears to have stabilized with no meaningful declines in FY 2012.
Environmental Services	Recycling tonnage		Recycling tonnage continues to increase year-over-year. Construction and demolition recycling has shown some signs of slow, but limited growth.
Local Revenue	County sales tax collections		Sales tax collections continue to increase in comparison to the same month of the prior year. Total collections for FY 2012 grew by 5.4% over FY 2011 collections. May 2012 marked the single highest month of collections since December 2007.
Residential Housing Market	Days houses are on market		The average number of days on the market has begun to decline since January 2012.
Residential Housing Market	Median Sales price		While median prices have adjusted in normal seasonal patterns, they continue to maintain an average closer to that of the early 2000s.
Residential Housing Market	Foreclosures and short sale listings	-	Foreclosure and short sale listings have stabilized at a level lower than the highs of the recession.
Residential Housing Market	Number of houses sold		The number of home sales has stabilized to pre-recession levels with marked improvement since January. This trend is observed throughout the region.

## B. Historic Economic Indicators

The following table displays trends and observations relative to historic economic indicators and how those observations may impact current economic indicators.

Category	Indicator	Trend	Comments
Bankruptcy Filings	Number of bankruptcy filings	↑	The number of bankruptcy filings for both business and non-business filings has declined over the last 12 months.
Businesses	Number of new licenses issued	↓	While the decline in the number of new licenses issuance lessened between FY 2010 and FY 2011, the decline heightened between FY 2011 and FY 2012.
Businesses	Number of startup firms	-	While activity in Summer 2011 slowed, it recovered to a normal level in the Fall.
Residential Housing Market	Foreclosures by loan type	↑	Improvement in the level of foreclosures and new delinquencies continue to be observed. While the mid-2011 saw a rise in the number of prime loan foreclosures, they have stabilized in 2012.
Taxable Sales	Taxable sales	↑	Overall, taxable sales continue to show signs of slow expansion. In particular, businesses categorized as food services and drinking places and building materials and garden equipment have begun to expand to levels similar to prior to the recession.

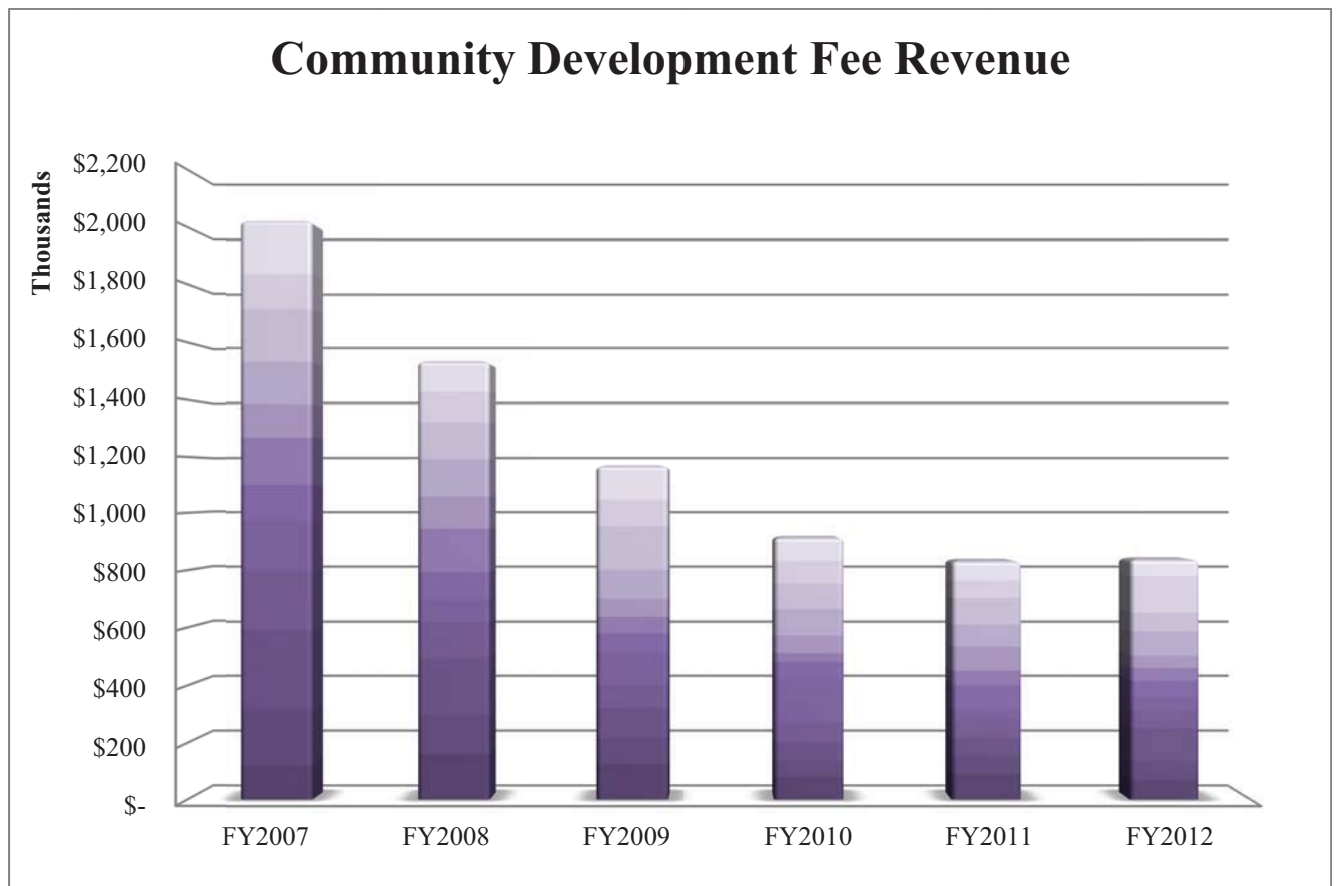
## III. Economic Indicators – Data

### A. Current Economic Indicators Data

#### 1. Community Development

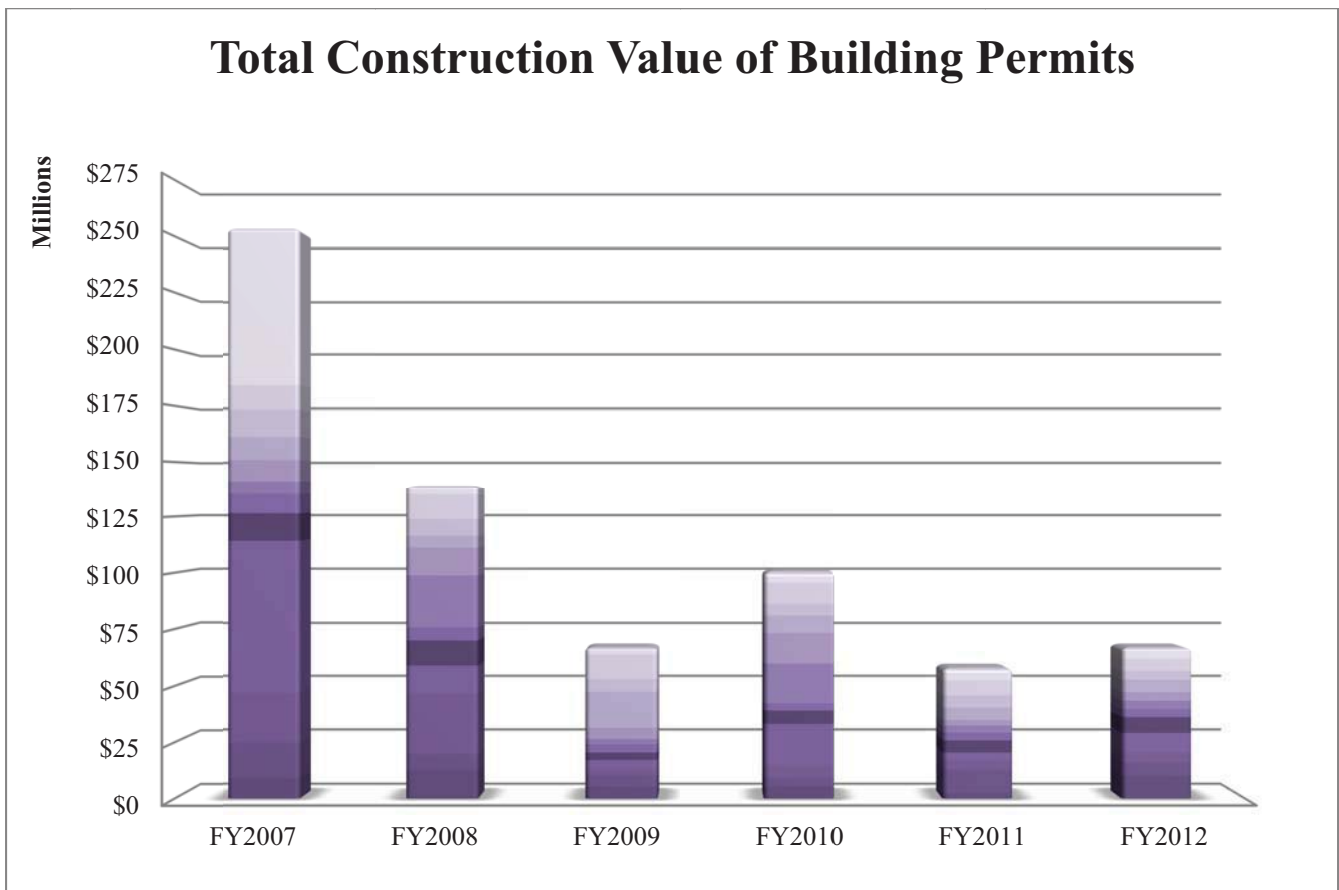
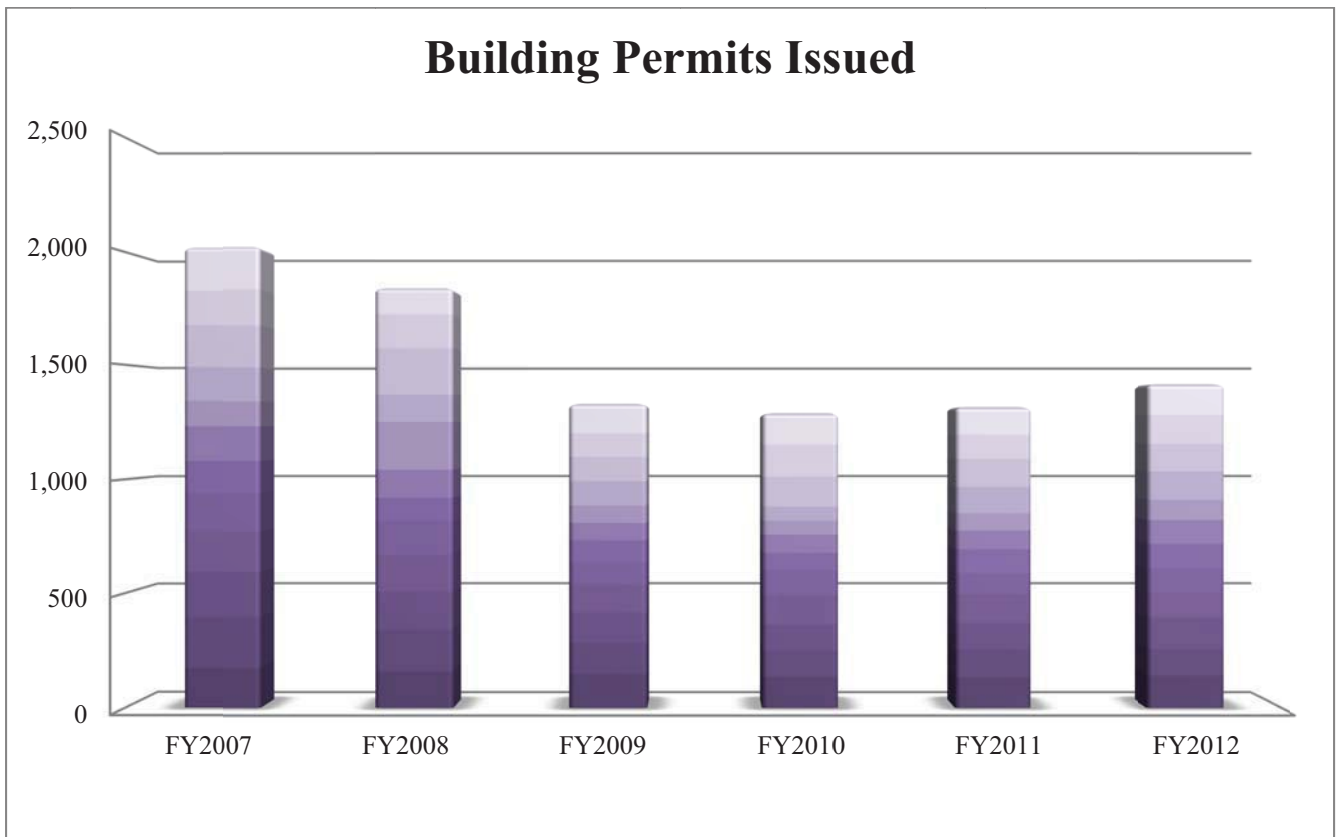
##### a) Community Development Fees

While FY 2012 community development fees increased slightly over FY 2011, they have not recovered from the economic downturn.

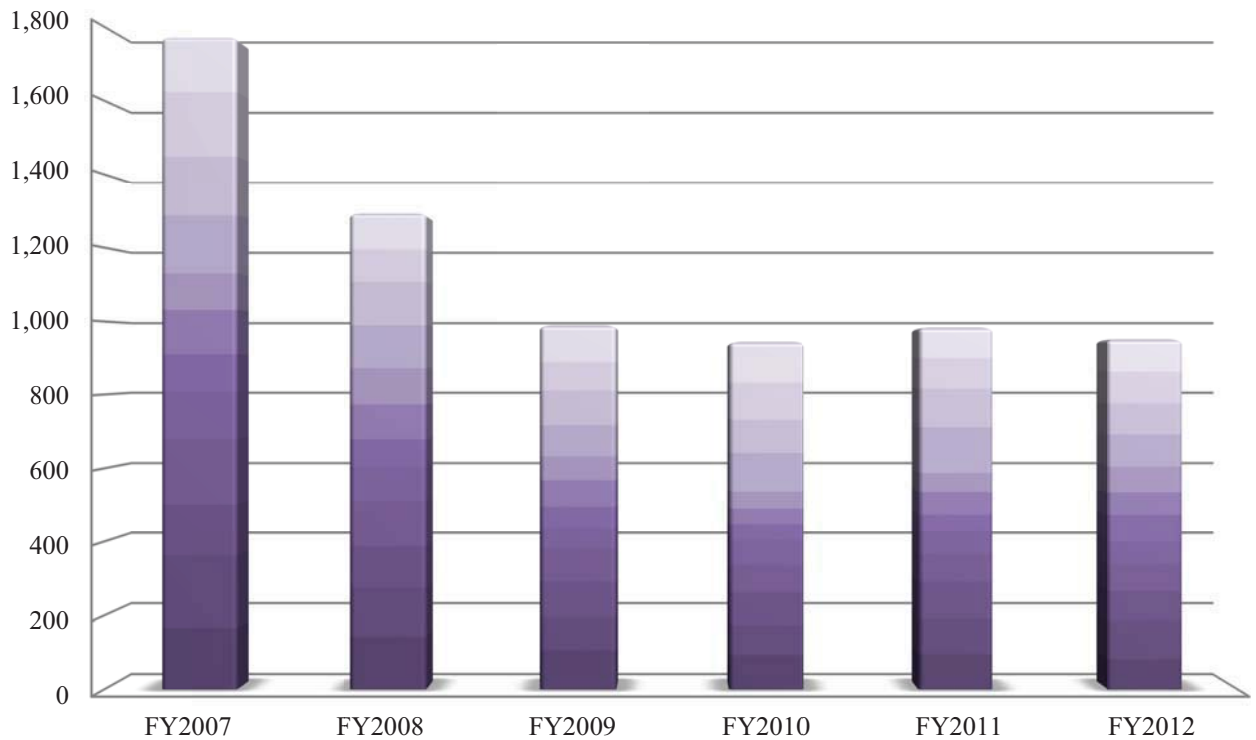


##### b) Building Permits

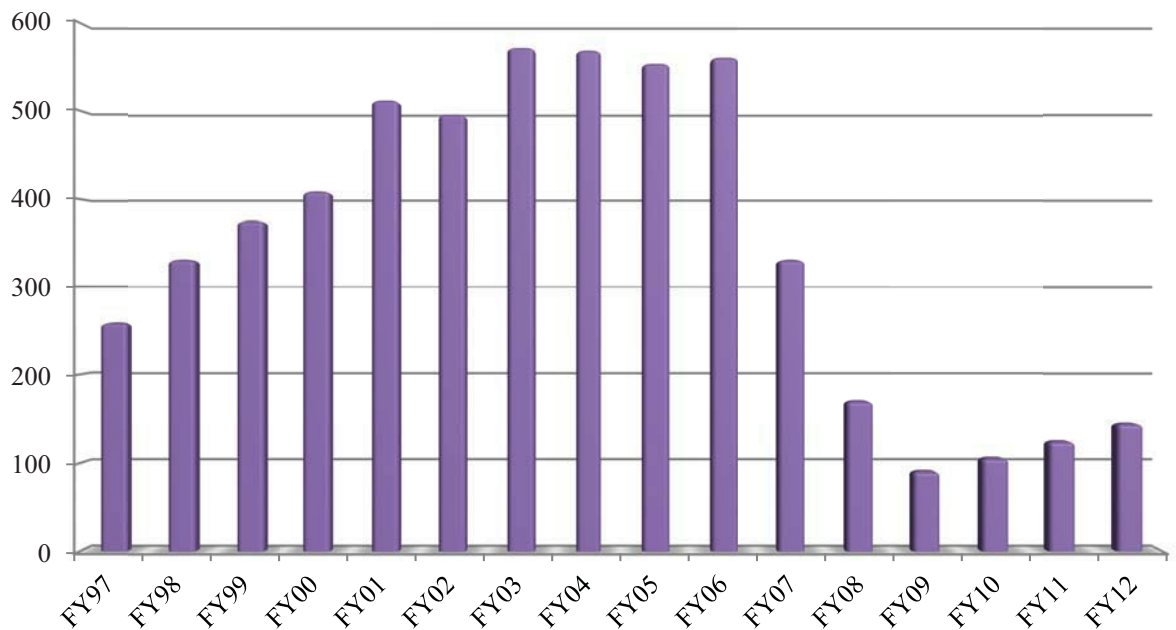
While building permits continue to trend at a historically low level, some improvements are observed year-over-year. New home construction has experienced marked improvements since the historical low of FY 2009. On average, new home construction permits have increased by 16% year-over-year since FY 2009.



## Residential Plan Reviews



## New Home Construction Permits Issued by Year

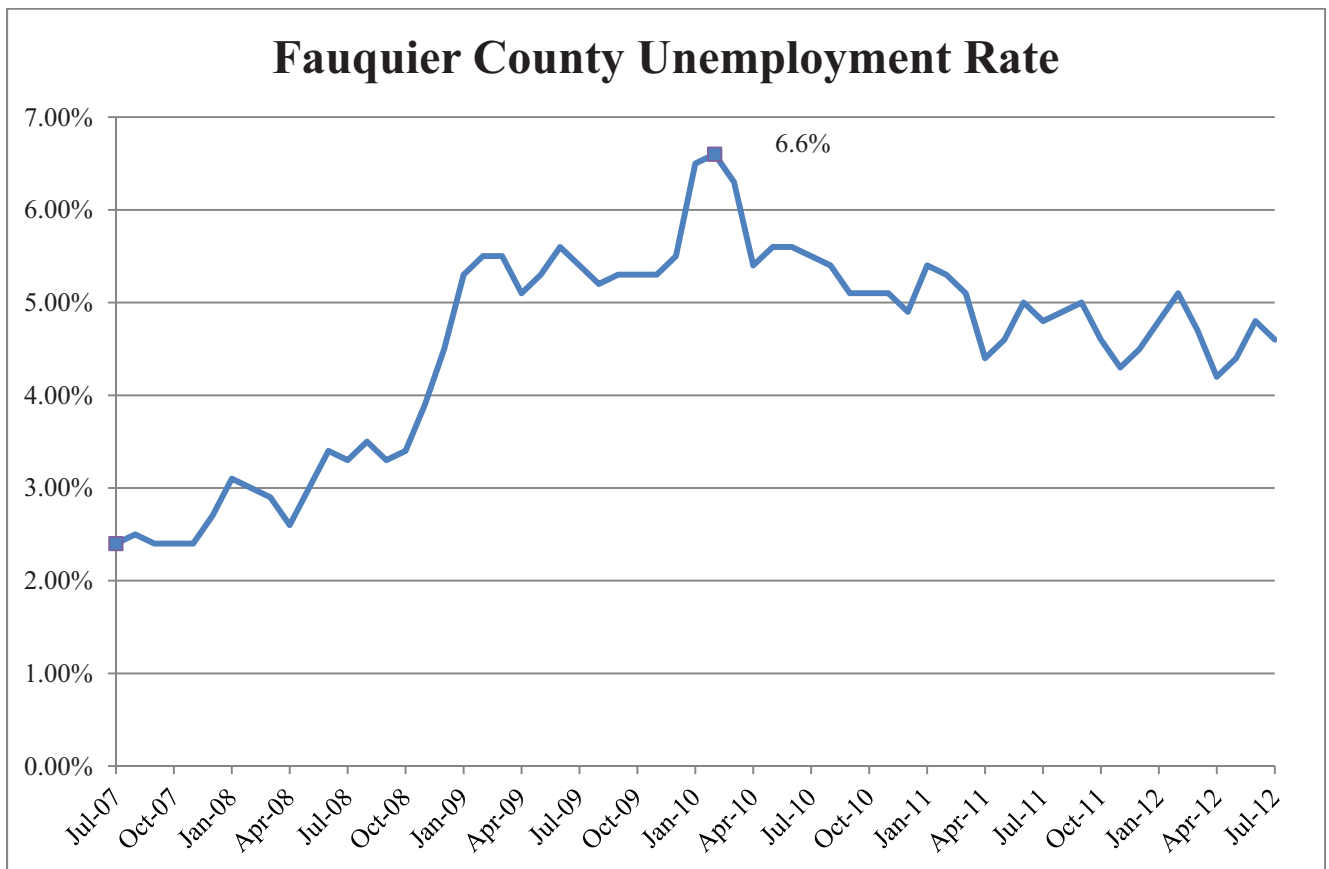


Source: Community Development

## 2. Employment

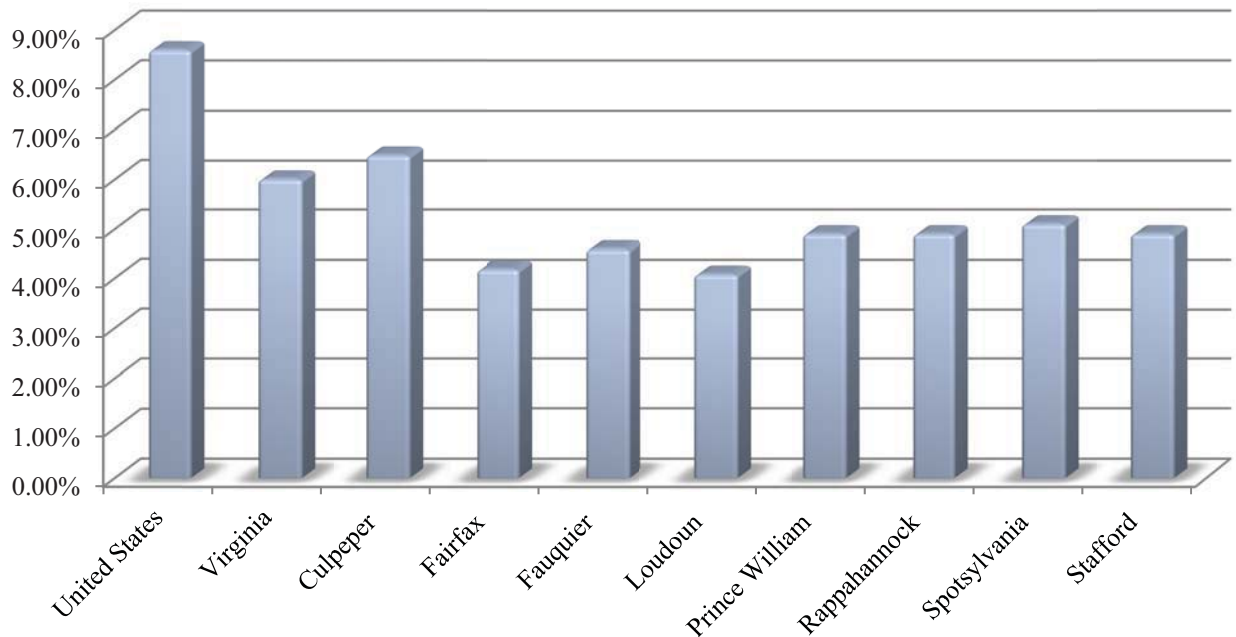
### a) Unemployment Rates

While unemployment for the United States and the Commonwealth of Virginia have declined over the last 12-18 months, rates remain elevated. The Fauquier County unemployment rate remains on a slow decline. In comparison to other local jurisdictions, Fauquier County's June 2012 unemployment rate of 4.8% trails Arlington, Loudoun, Fairfax; ahead of Prince William, Rappahannock, Stafford, and Spotsylvania County; and is significantly lower than Culpeper County. Overall for the Commonwealth, Fauquier County ranked 5<sup>th</sup> behind Arlington, Loudoun, Fairfax, and Alexandria; and is equal to Fluvanna.

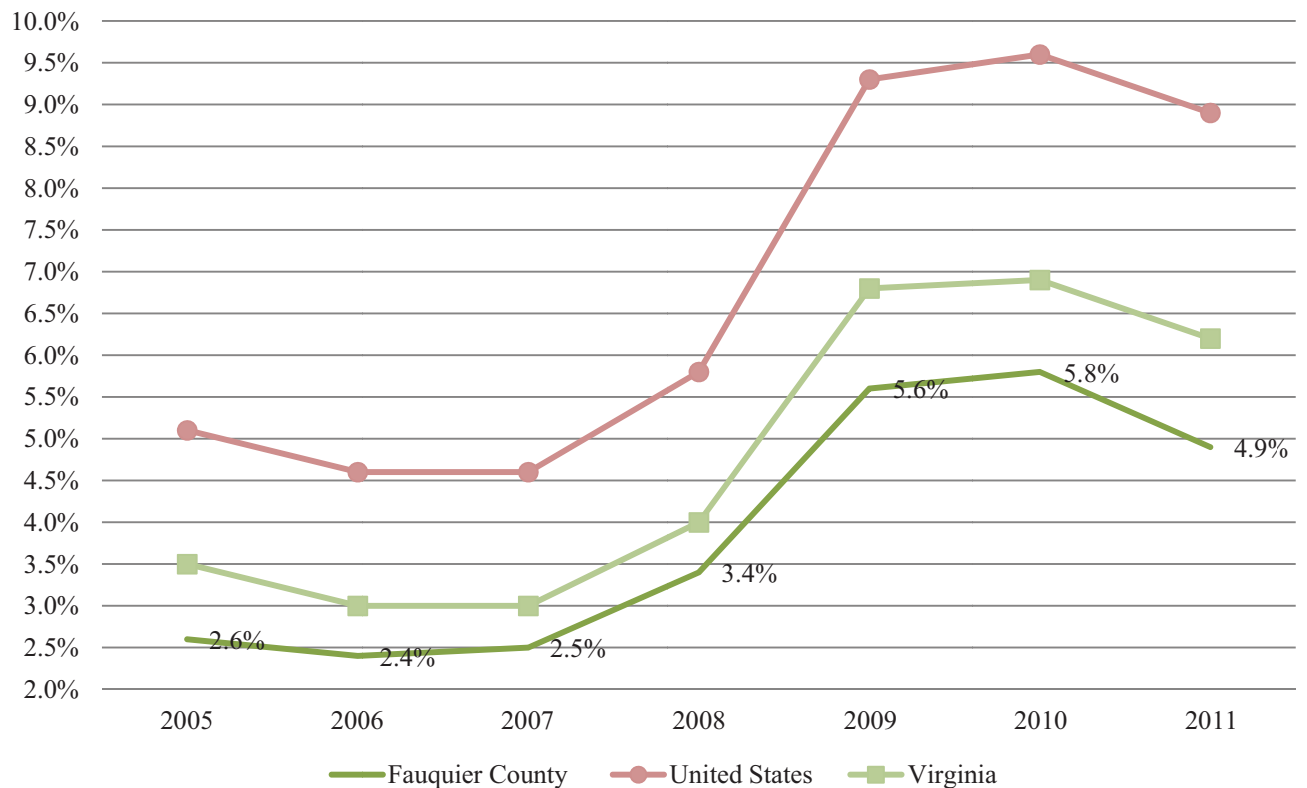




## June 2012 Unemployment Rates not seasonally adjusted



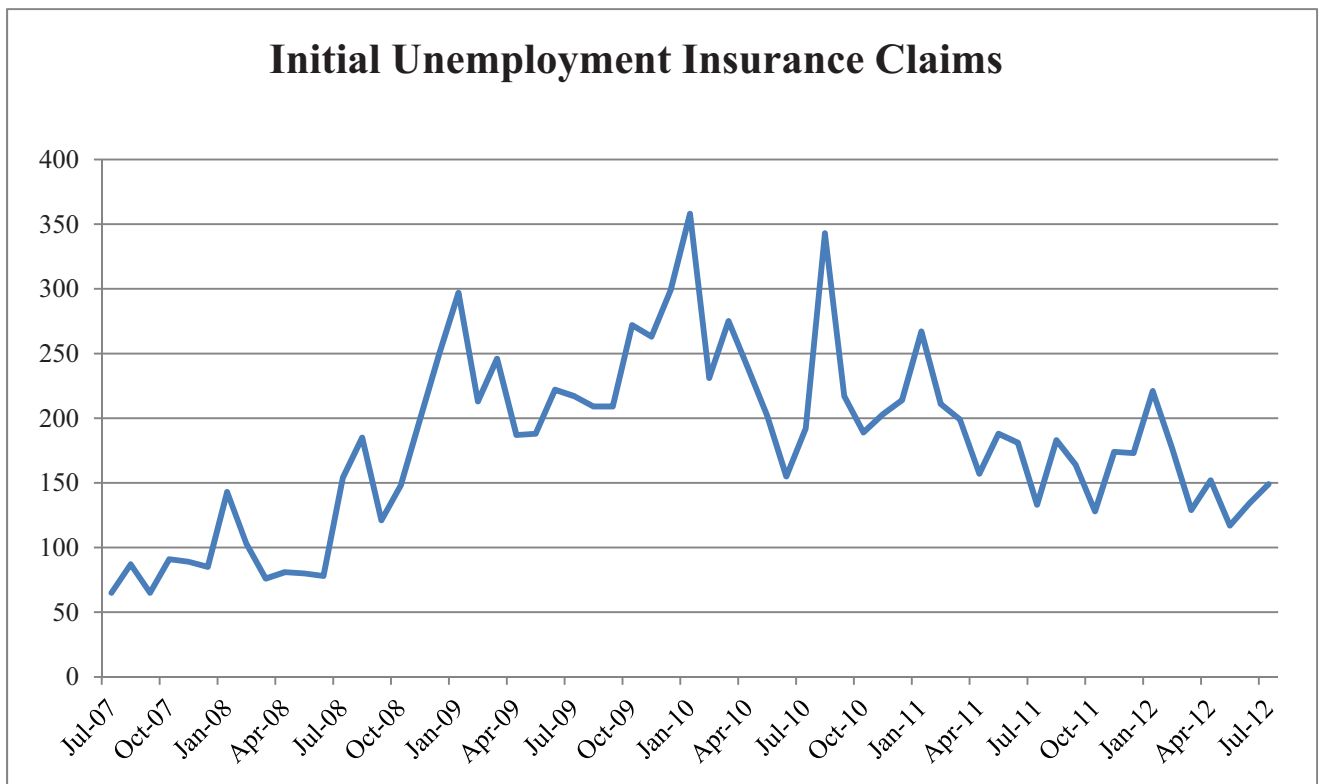
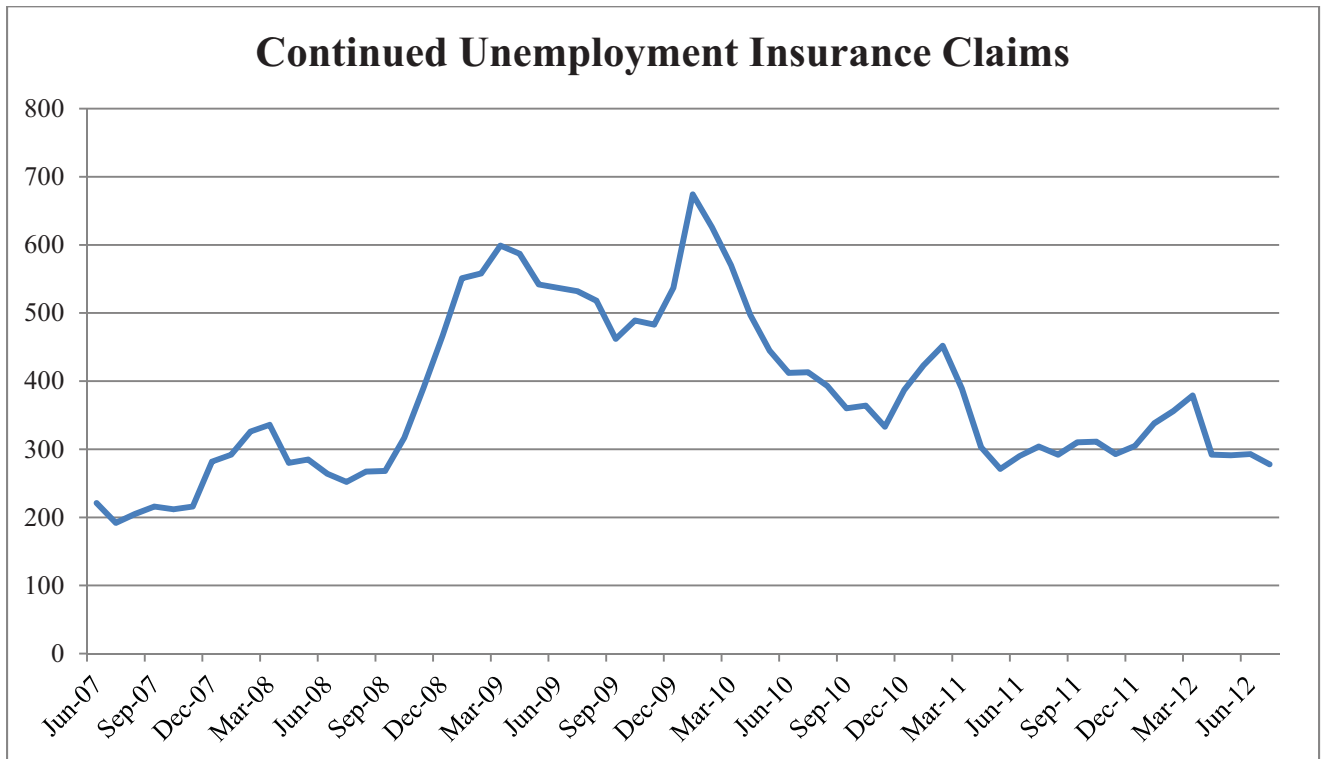
## Average Annual Unemployment Rates not seasonally adjusted



Source: Virginia Employment Commission.

## b) Unemployment Insurance Claims

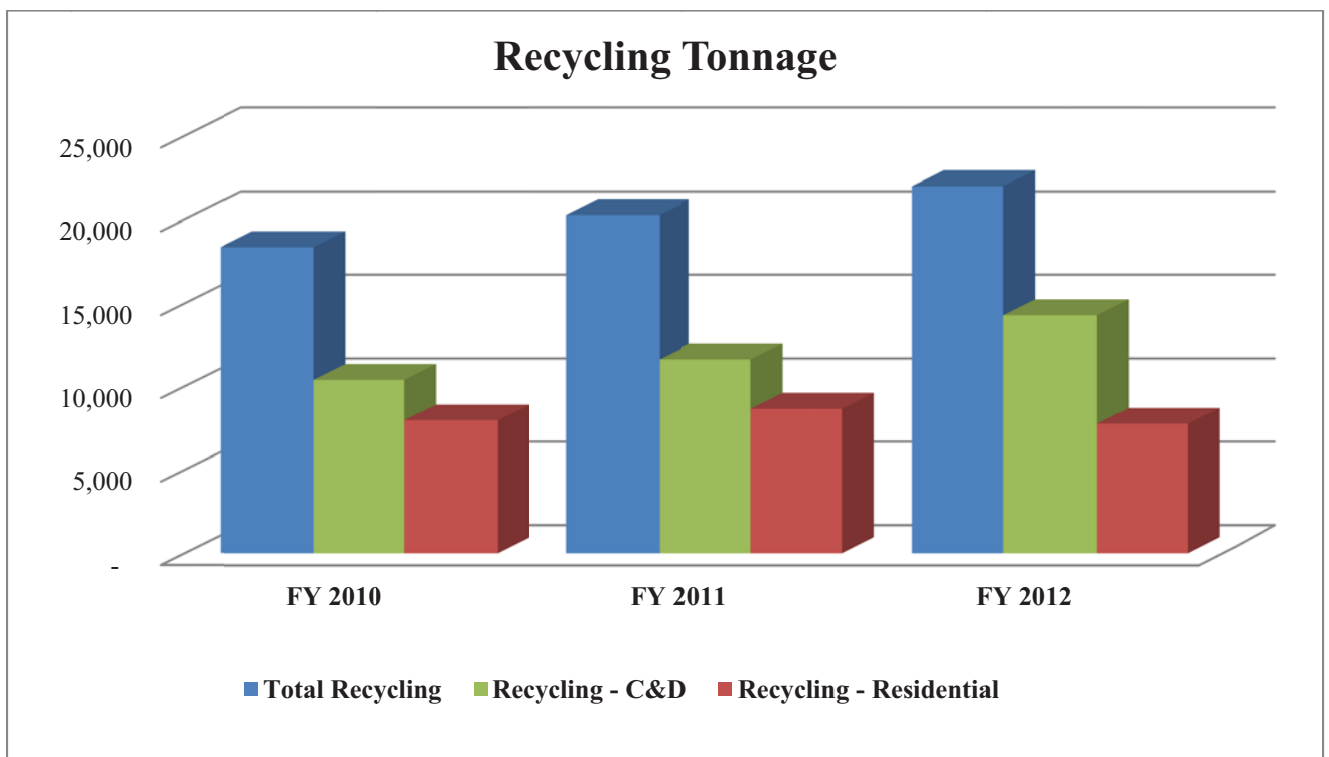
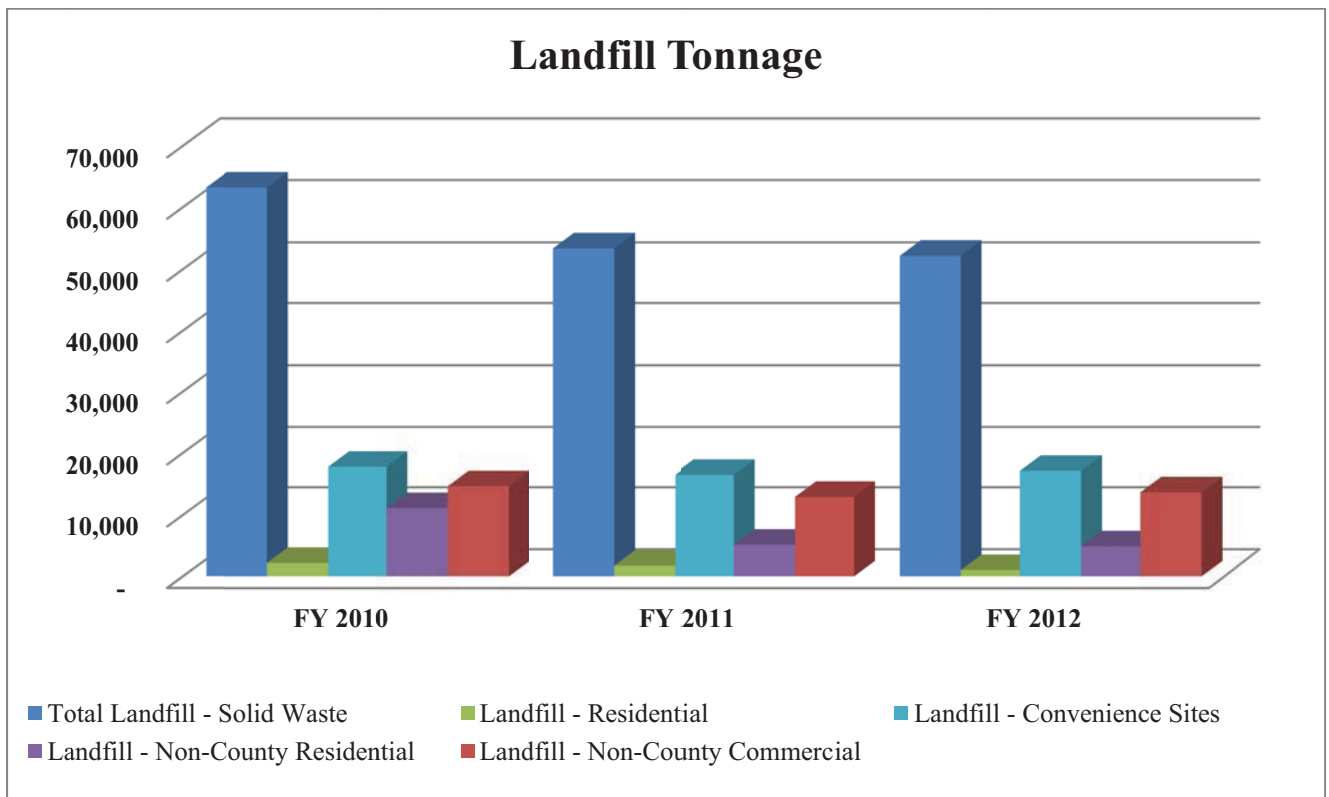
Continued unemployment insurance (UI) claims stabilized throughout FY 2012. While continued claims rose slightly at the end of 2011 and beginning of 2012, initial claims continue to fall with May 2012, marking the lowest single month since September 2008.



Source: Virginia Employment Commission

## 3. Environmental Services

While landfill tonnage in FY 2012 declined slightly over FY 2011, it was offset by growth in recycling tonnage. Additionally, improvement was observed in C&D recycling with the most annual tonnage since FY 2009.



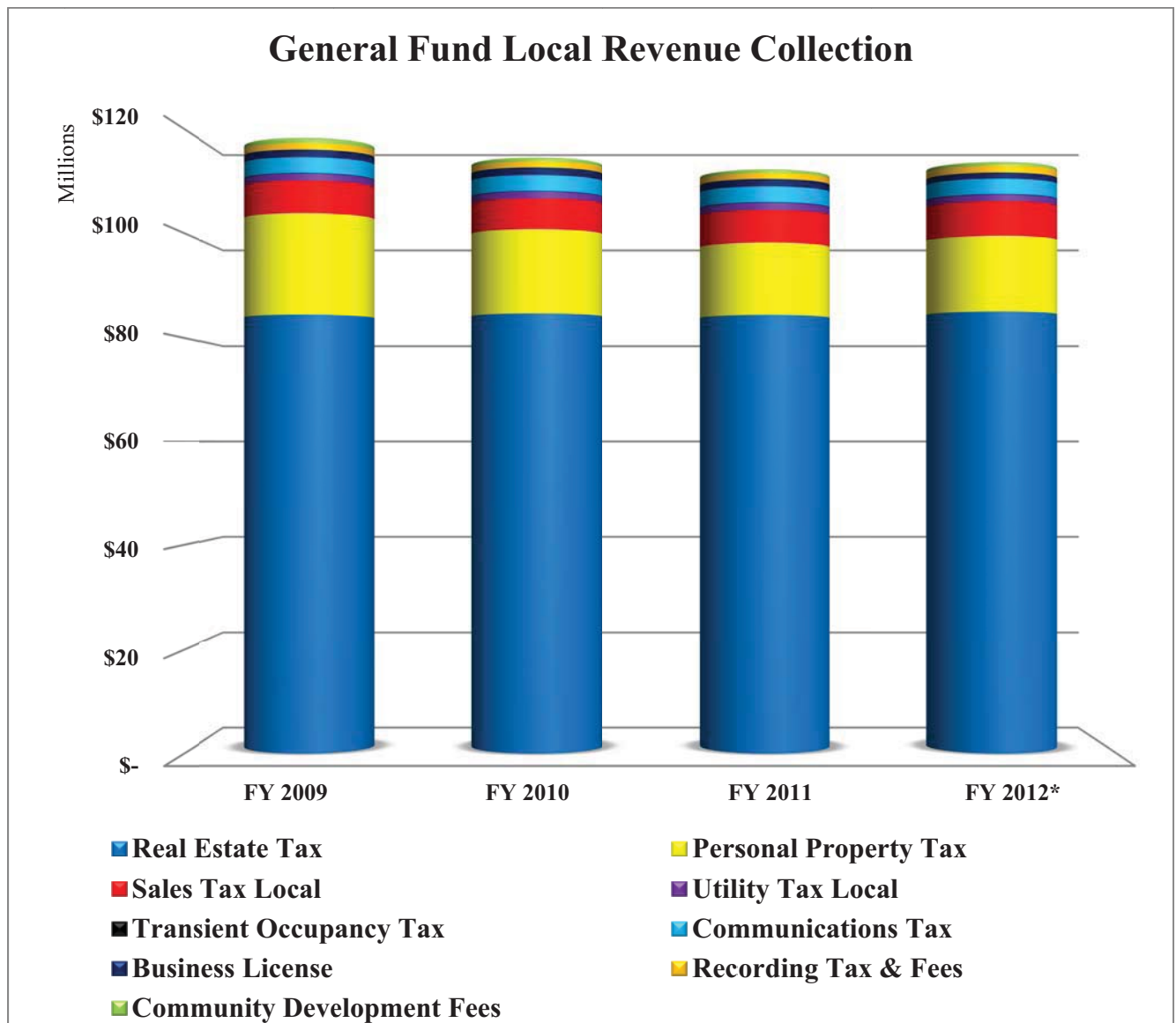
Source: Environmental Services.

## 4. Local Revenues

The following graphs display key General Fund local revenue sources. Local revenue sources observed are real estate tax, personal property tax, sales taxes, utility tax, communication tax, recoding tax and fees, business and other professions licensing tax and fees, and transient occupancy tax revenue.

### a) General Fund local revenue collection

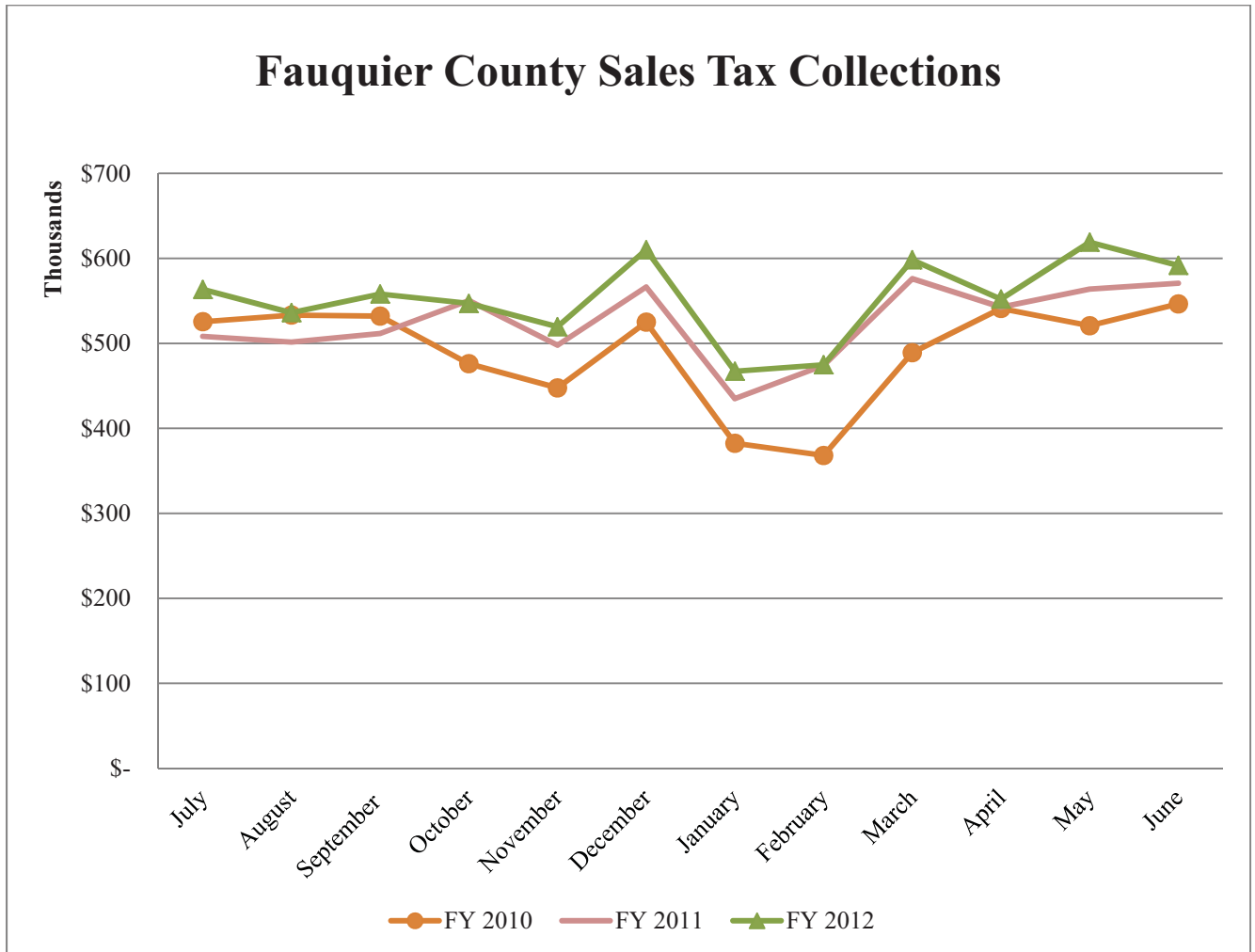
General Fund local revenue collections for FY 2012 indicated modest signs of growth in the real estate, sales, and personal property tax base. Sales tax collections continue to improve throughout 2012.



\*FY 2012 data includes 60 day year-end accruals as of August 28, 2012.

## b) Sales Tax Revenue

Monthly sales tax collections continue to improve, but at a level indicative of the slow recovery. In comparison to the same month of the prior year, sales tax collections have either grown or been equal to the prior period for 21 straight months.

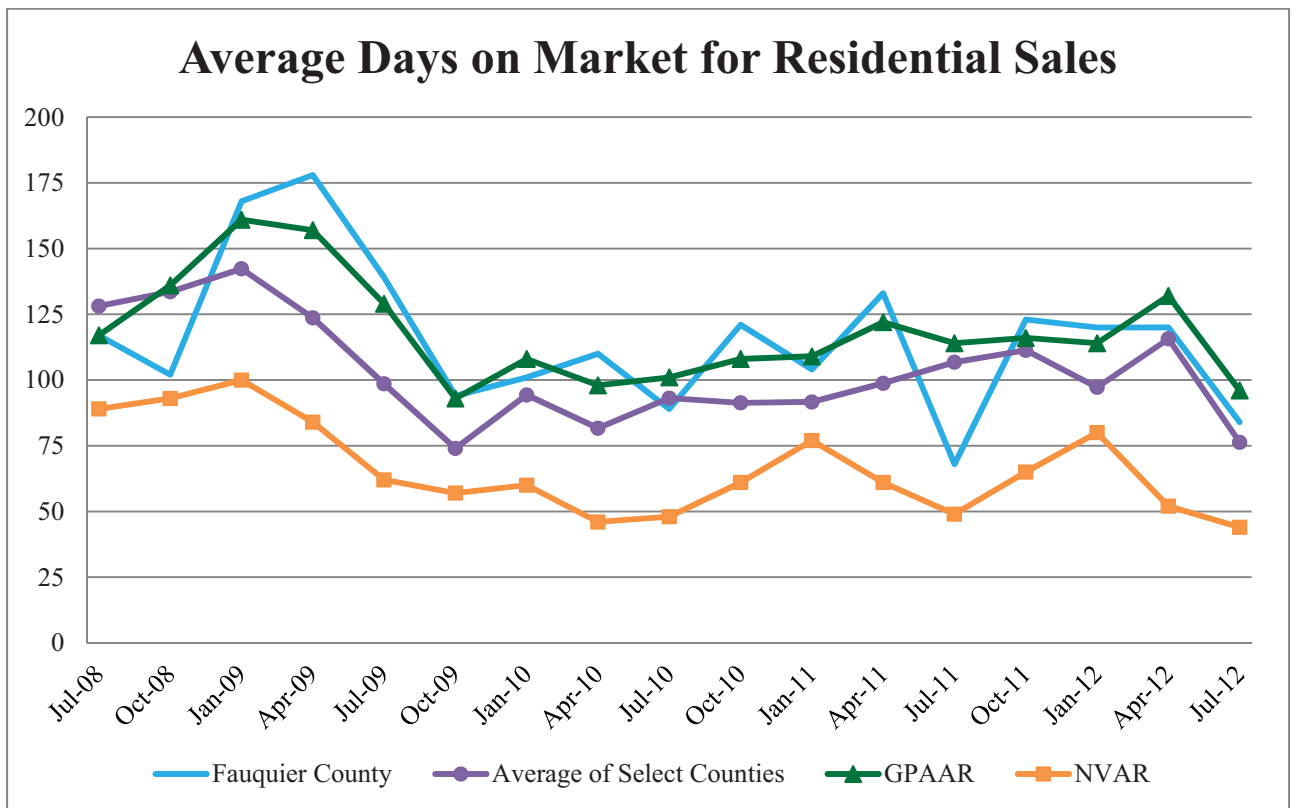


## 5. Residential Housing Market – Current Data

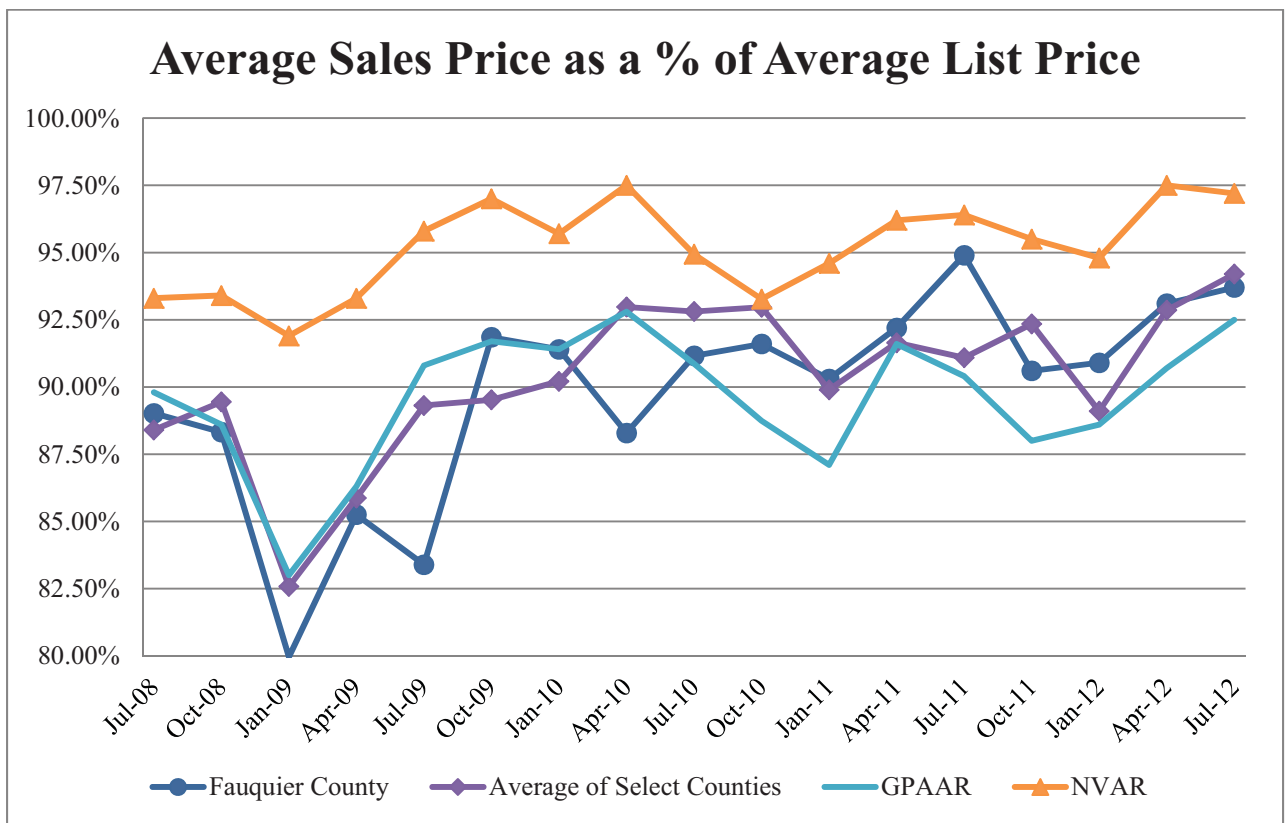
The following charts provide data on various characteristics of the local residential housing market. The graphs display data for Fauquier County, the Greater Piedmont Area Association of Realtors, Northern Virginia Association of Realtors, and/or an Average of select counties. The Greater Piedmont Area Association of Realtors (GPAAR) is composed of the following counties: Fauquier, Culpeper, Orange, Madison, and Rappahannock. The Northern Virginia Association of Realtors (NVAR) is composed of the following counties or cities: Fairfax County, City of Fairfax, Arlington County, City of Alexandria, and City of Falls Church. The selected counties for purposes of averaging include Fauquier, Culpeper, Orange, Madison, Fairfax, Loudoun, Prince William, Rappahannock, and Spotsylvania.

### a) Residential Sales

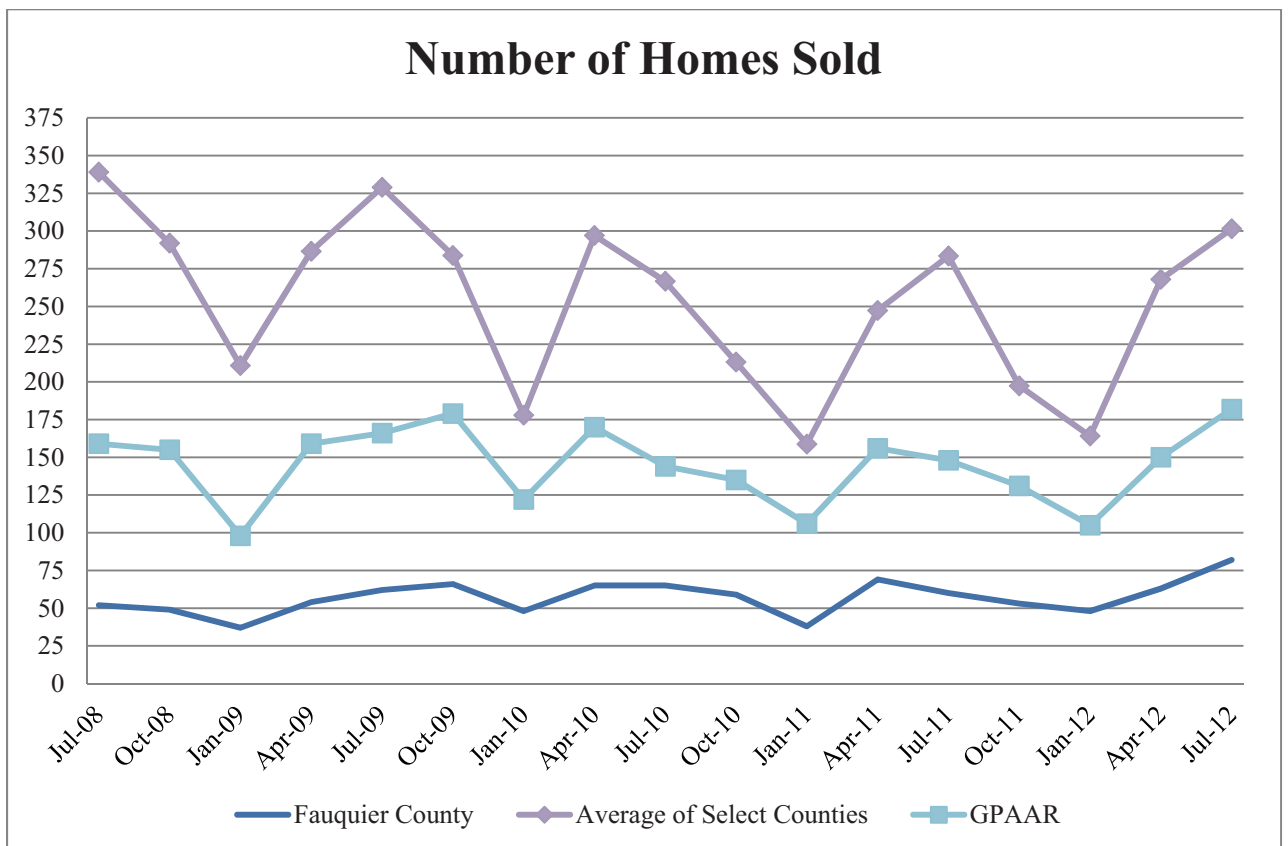
Stabilization of the County's housing market was observed over most of 2011 and continues into 2012. The average number of days that houses are on the market prior to sale has begun to decline coupled with measurable improvement in the number of sales and the median sales prices for the first half of 2012.



Source: Metropolitan Regional Information Systems, Inc. (MRIS)

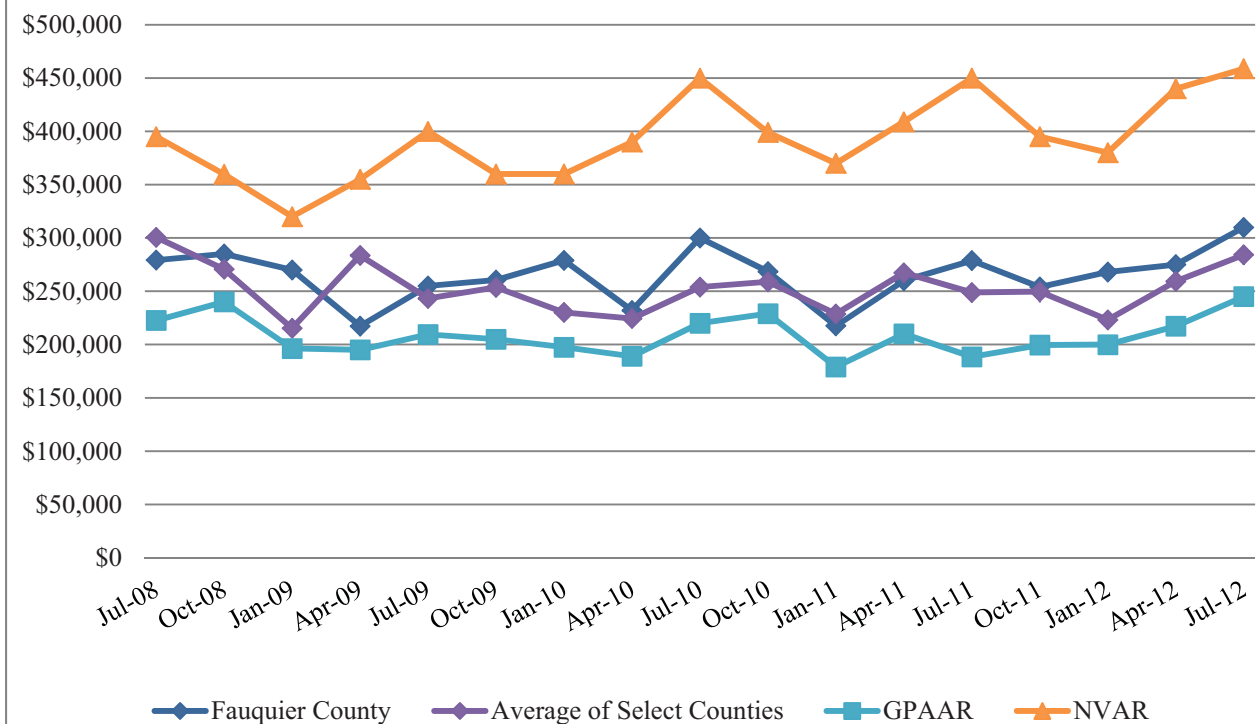


Source: Metropolitan Regional Information Systems, Inc. (MRIS)

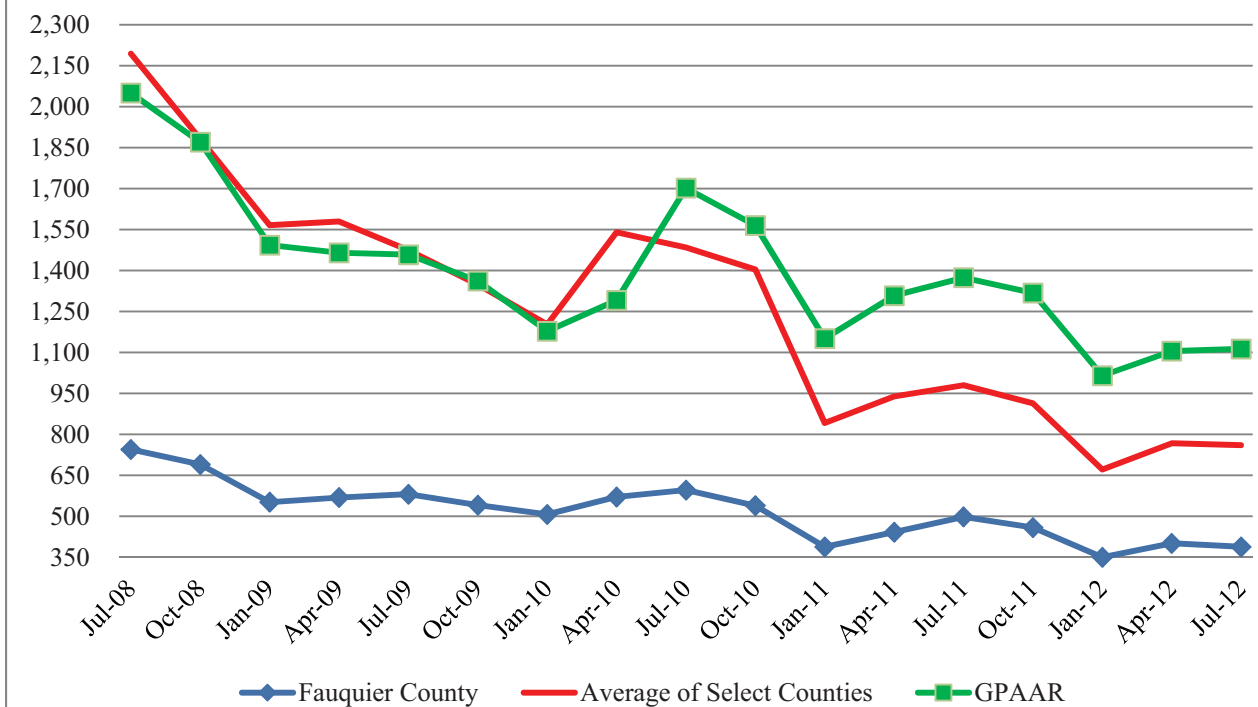


Source: Metropolitan Regional Information Systems, Inc. (MRIS)

## Median Home Sales Prices



## Active Listings



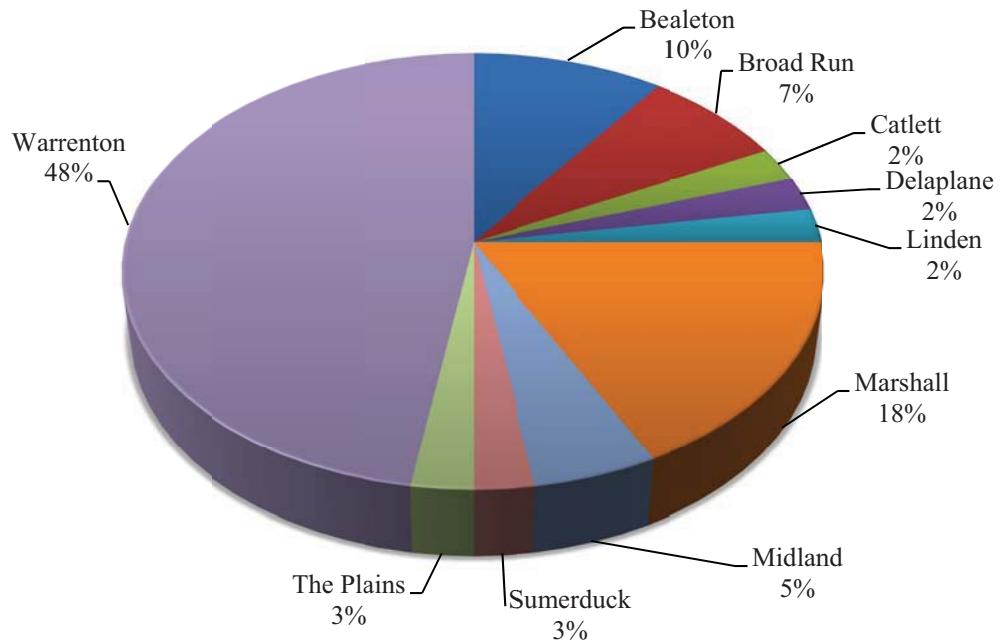
Source: Metropolitan Regional Information Systems, Inc. (MRIS)



## b) Foreclosures and Short Sales

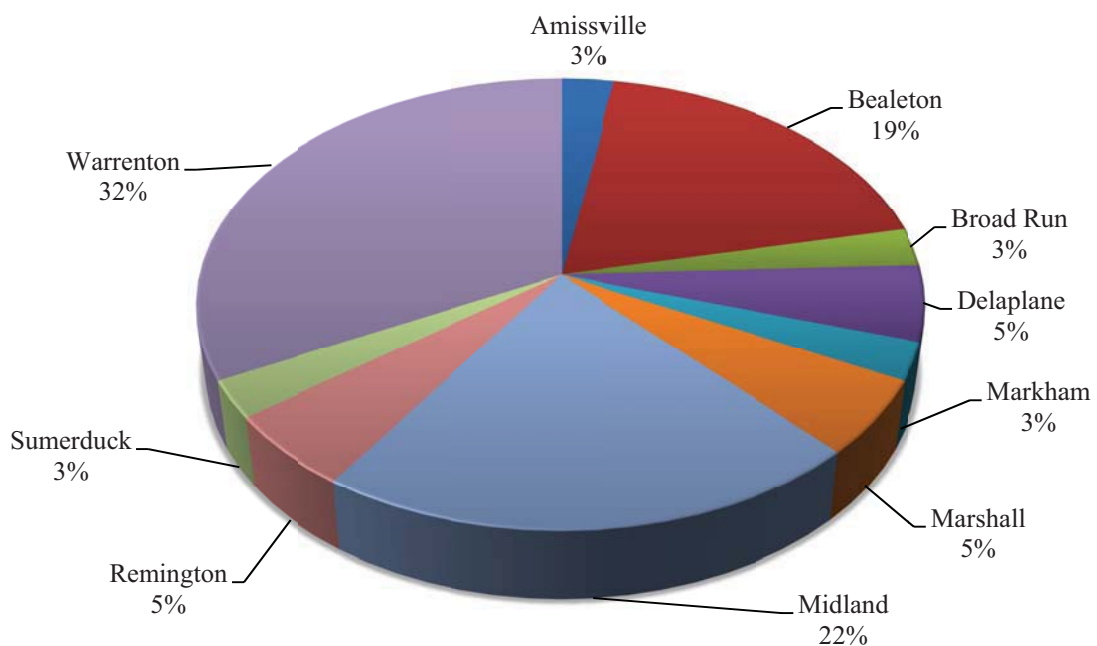
The volume of foreclosure and short sale listings continued to decline below the marked increase of early 2011. The number of foreclosure listings has stabilized with no measurable fluctuations in total volume or area of concentration.

### Foreclosure Listings as of June 30, 2012



40 foreclosure listing as of June 30, 2012. Source: Redfin.com

### Short Sale Listings as of June 30, 2012

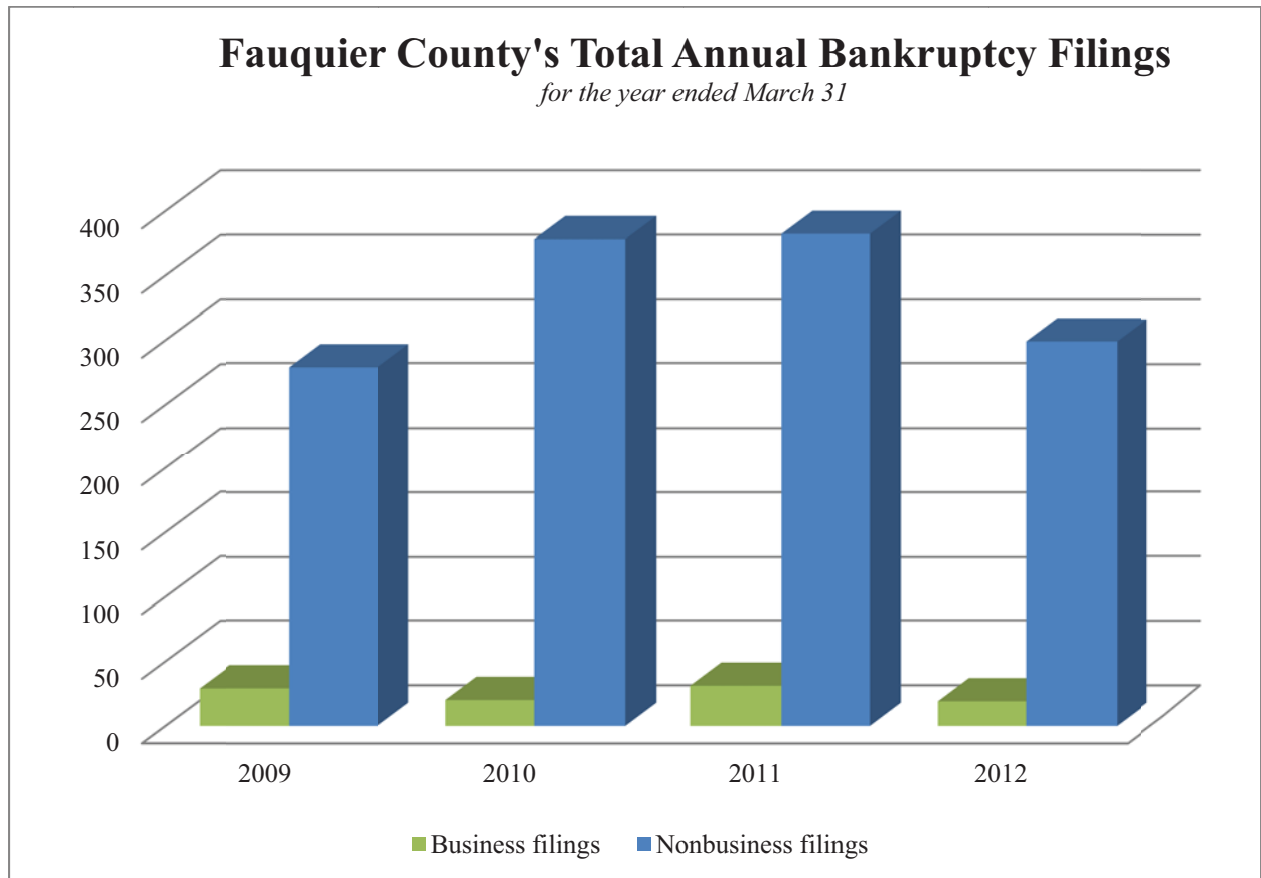


37 short sale listings as of June 30, 2012. Source: Redfin.com

## B. Historical Economic Indicators Data

### 1. Bankruptcy Filings

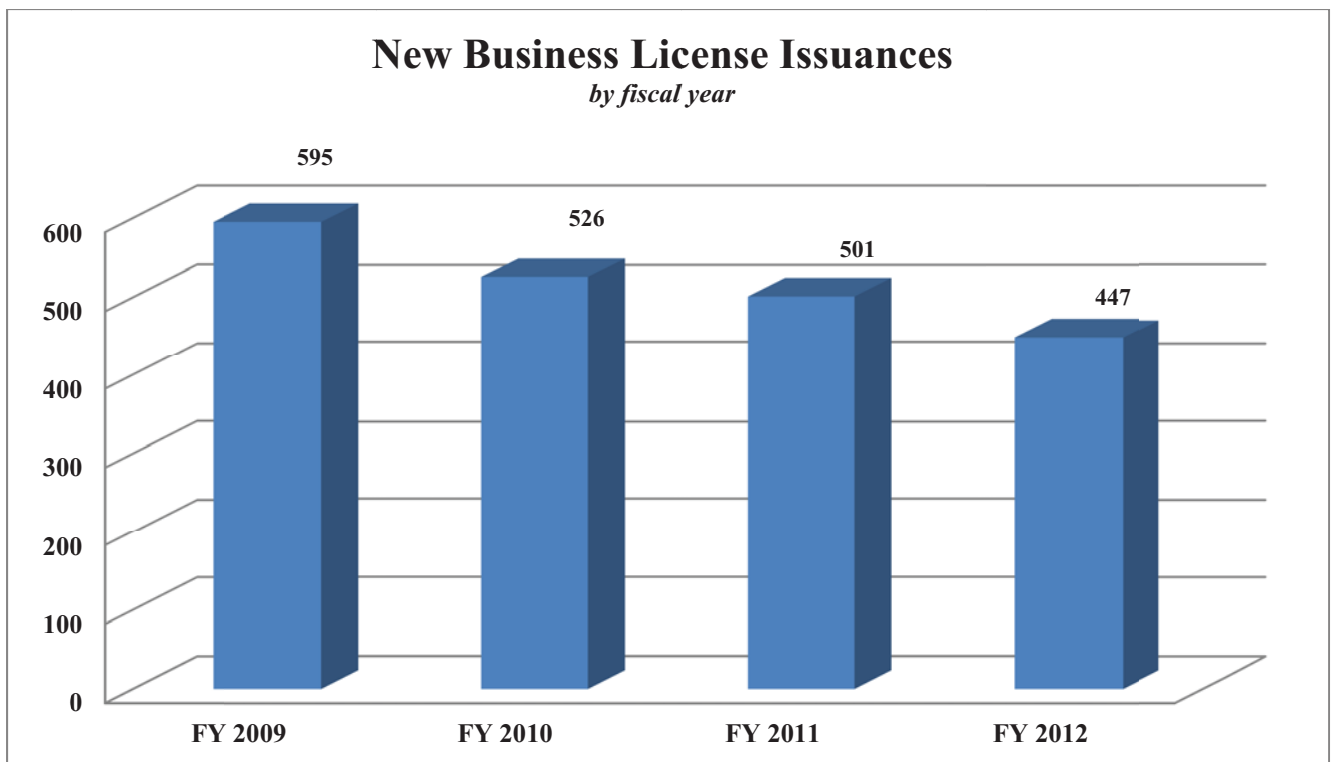
Bankruptcy filings into the first quarter of 2012 for both business and non-business filers have begun to lessen from the elevated levels of 2010 and 2011.



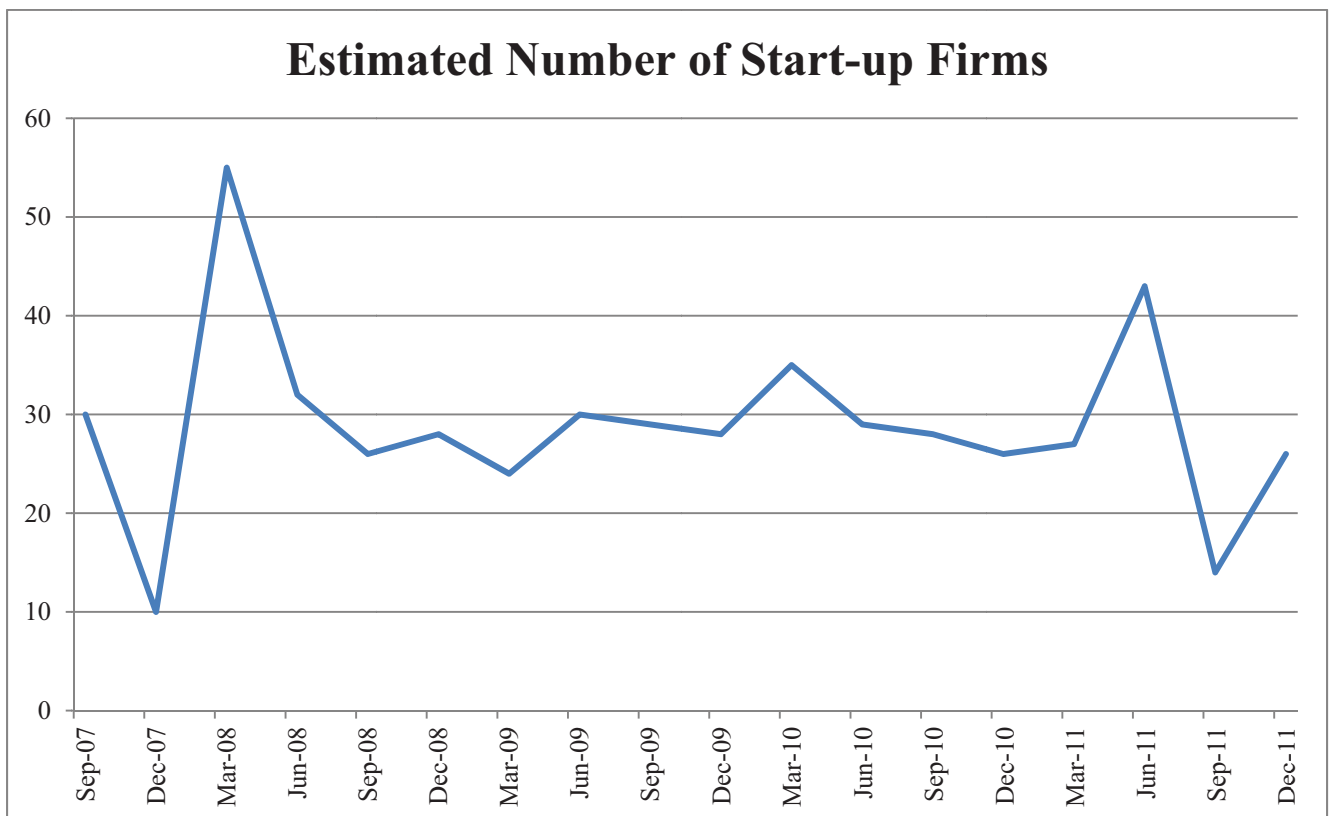
Source: United States Courts System

## 2. Businesses

The number of new business license issuances experienced a new low in FY 2012 with a 10.8% decline from FY 2011, approximately double the decline experienced from FY 2010 to FY 2011.



Source: Commissioner of the Revenue



Source: Virginia Employment Commission

### 3. Residential Housing Market – Historical Data

#### a) Residential Foreclosures and Delinquencies

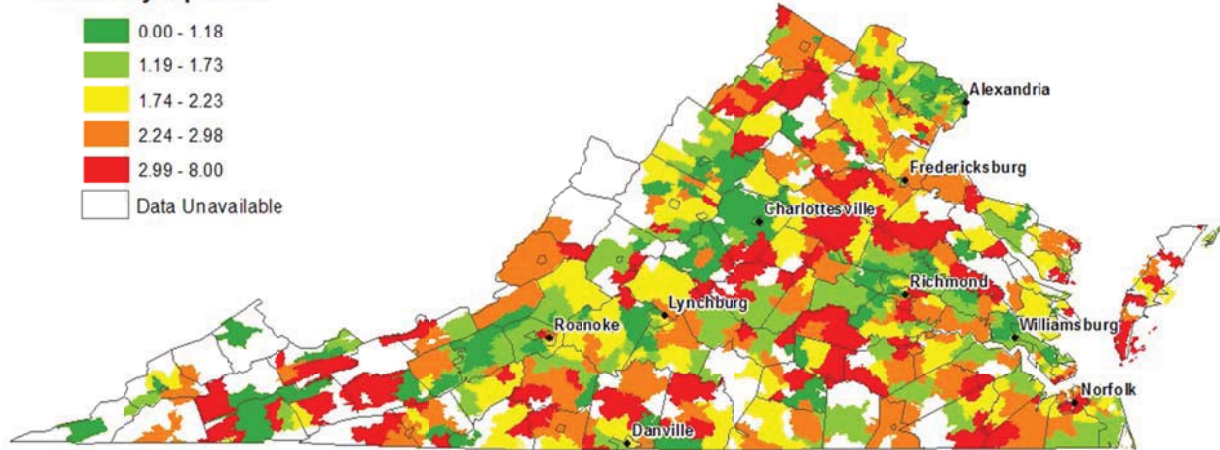
The following five graphs are prepared by the Federal Reserve Bank of Richmond as part of their quarterly mortgage performance summaries for the Commonwealth of Virginia display:

- Percentage of foreclosures or reo for owner-occupied mortgages – prime loans;
- Percentage of delinquencies for owner-occupied mortgages – prime loans;
- Percentage of foreclosures or reo for owner-occupied mortgages – subprime loans;
- Percentage of delinquencies for owner-occupied mortgages – subprime loans; and
- Percentage of owner-occupied mortgages with subprime loans.

Foreclosures and delinquencies in the County remain low in comparison to the other localities in Virginia and the region. The number of foreclosures and delinquencies for both prime and subprime loans continues to decline.

## Percentage of Owner-Occupied Prime Loans in Foreclosure or REO<sup>2</sup>: Virginia

Percent in Foreclosure  
or REO by Zip Code

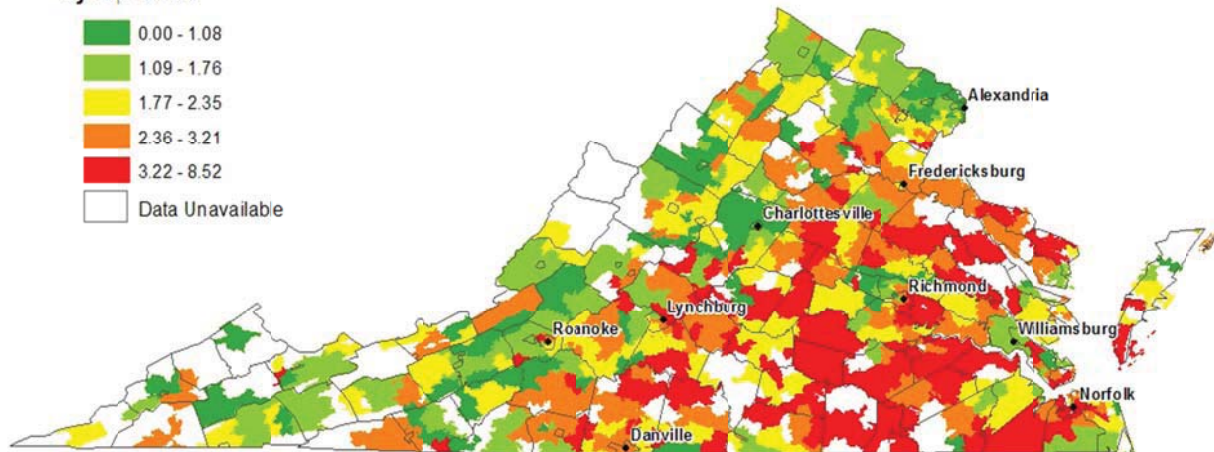


Notes: FHA and VA loans are included in the count of prime loans. Uncategorized zip codes have fewer than 100 loans or no data available.

Source: Federal Reserve Bank of Richmond/Lender Processing Services (LPS) Applied Analytics (March 2012)

## Percentage of Owner-Occupied Prime Loans with 90+ Day Delinquency: Virginia

Percent Delinquent  
by Zip Code



Notes: FHA and VA loans are included in the count of prime loans. Uncategorized zip codes have fewer than 100 loans or no data available.

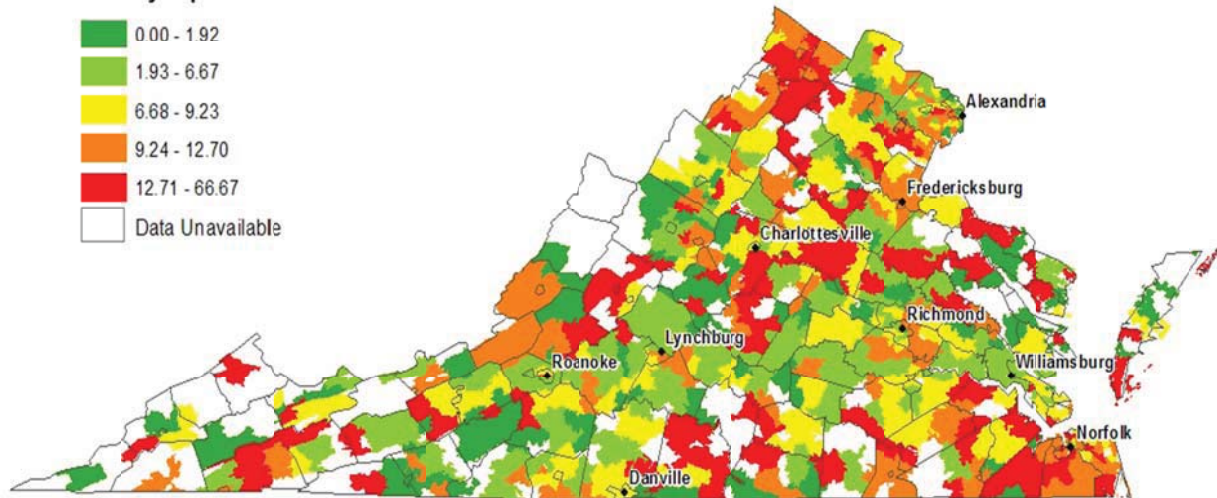
Source: Federal Reserve Bank of Richmond/Lender Processing Services (LPS) Applied Analytics (March 2012)

<sup>2</sup> Real Estate Owned (REO) properties are in the possession of the lender due to foreclosure or forfeiture.



## Percentage of Owner-Occupied Subprime Loans in Foreclosure or REO: Virginia

Percent in Foreclosure  
or REO by Zip Code

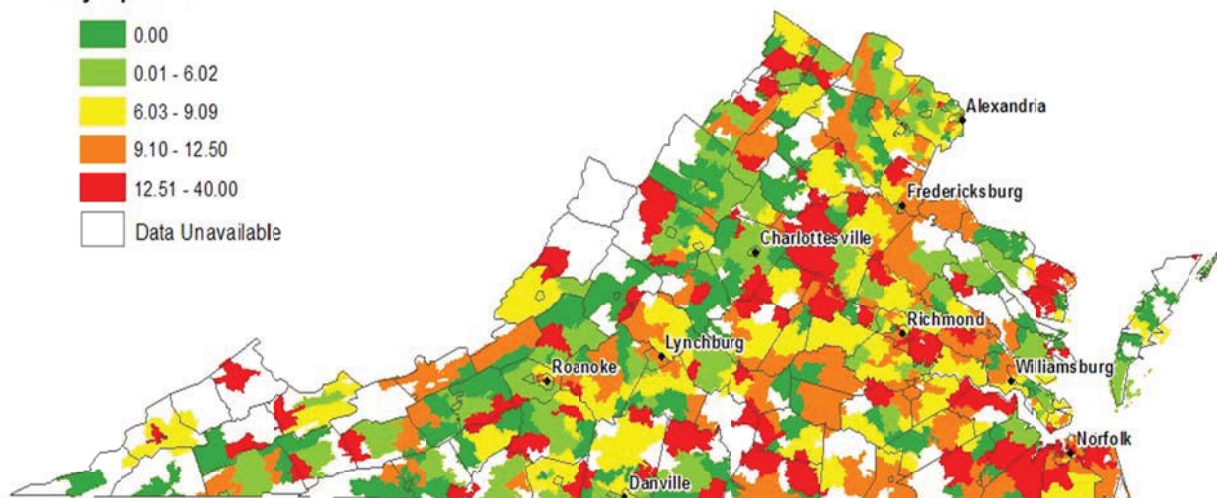


Notes: FHA and VA loans are included in the count of prime loans. Uncategorized zip codes have fewer than 100 loans or no data available.

Source: Federal Reserve Bank of Richmond/Lender Processing Services (LPS) Applied Analytics (March 2012)

## Percentage of Owner-Occupied Subprime Loans with 90+ Day Delinquency: Virginia

Percent Delinquent  
by Zip Code

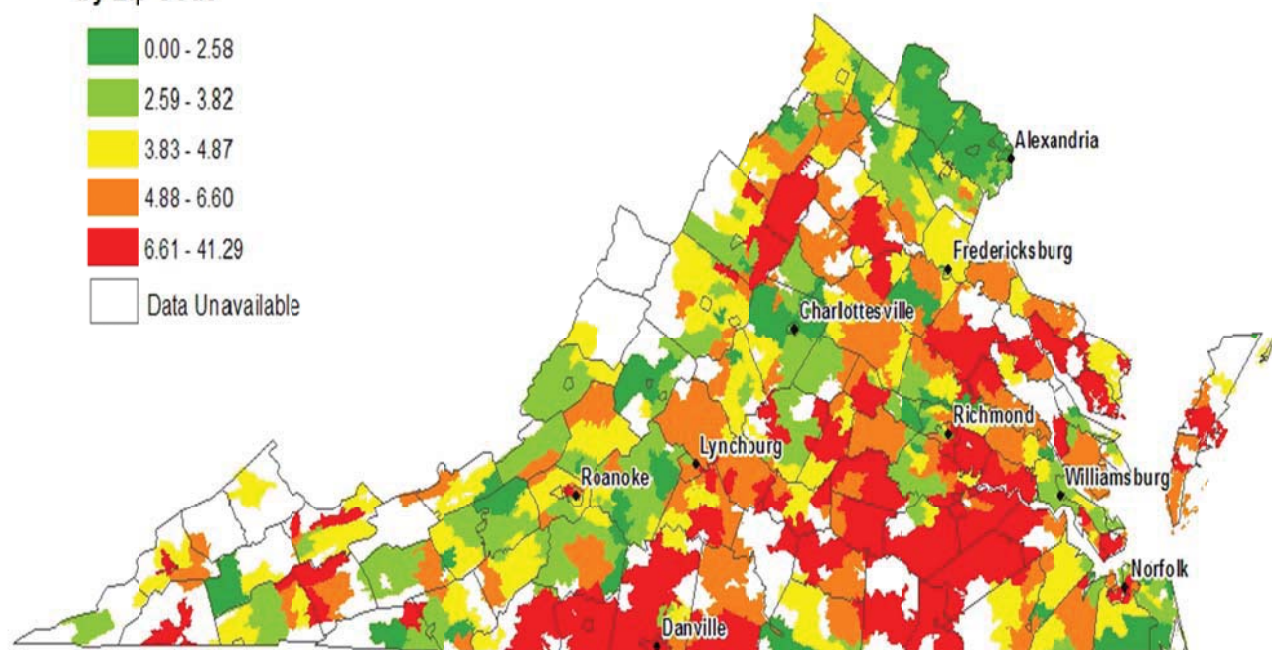


Notes: FHA and VA loans are included in the count of prime loans. Uncategorized zip codes have fewer than 100 loans or no data available.

Source: Federal Reserve Bank of Richmond/Lender Processing Services (LPS) Applied Analytics (March 2012)

## Percentage of Owner-Occupied Mortgages with Subprime Loans: Virginia

Percent Subprime  
by Zip Code



Notes: FHA and VA loans are included in the count of prime loans. Uncategorized zip codes have fewer than 100 loans or have no data available.

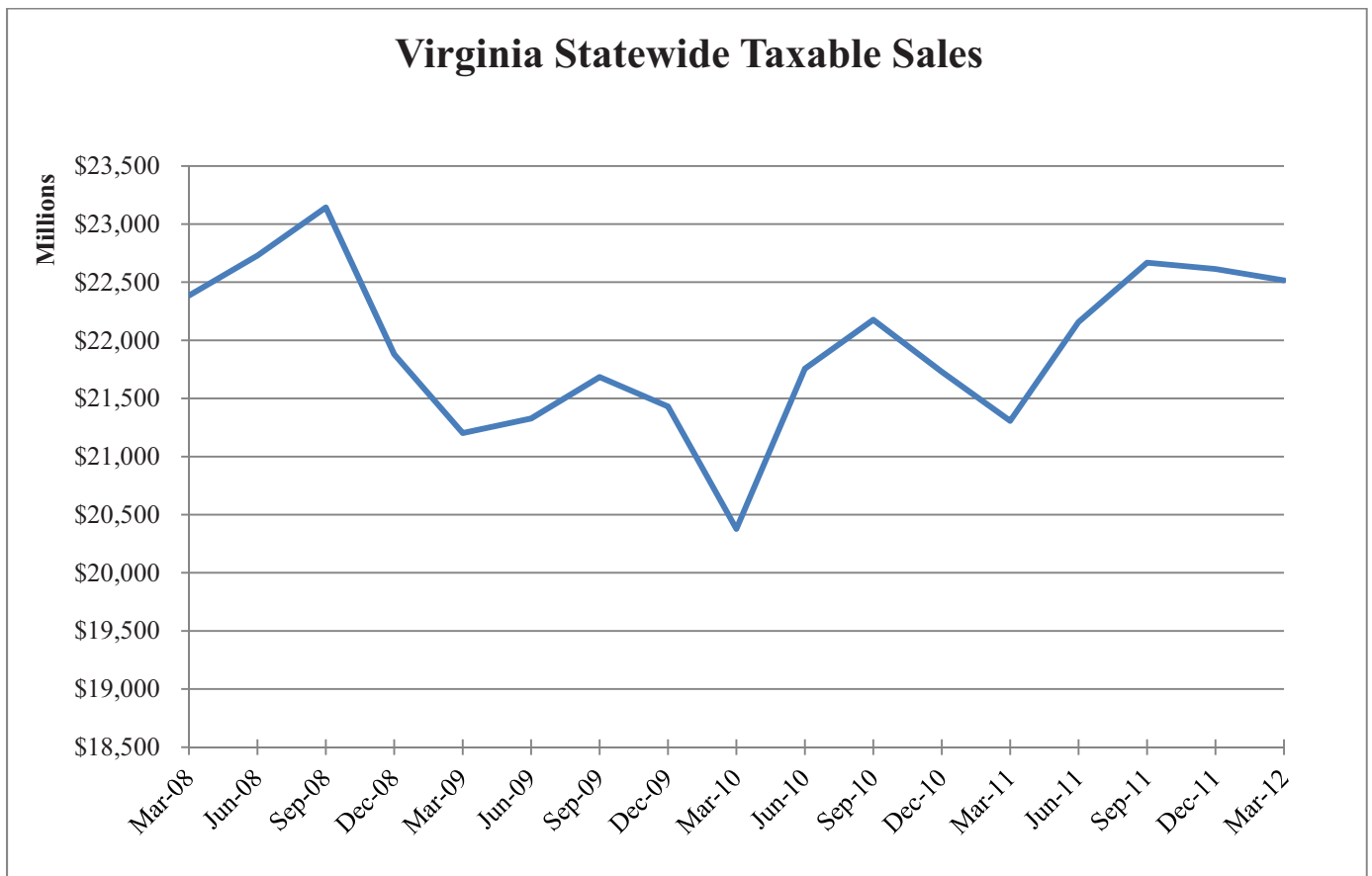
Source: Federal Reserve Bank of Richmond/Lender Processing Services (LPS) Applied Analytics (March 2012)

## 4. Taxable Sales

The following graphs provide data trends of taxable sales relative to the County, the State, and other local jurisdictions including:

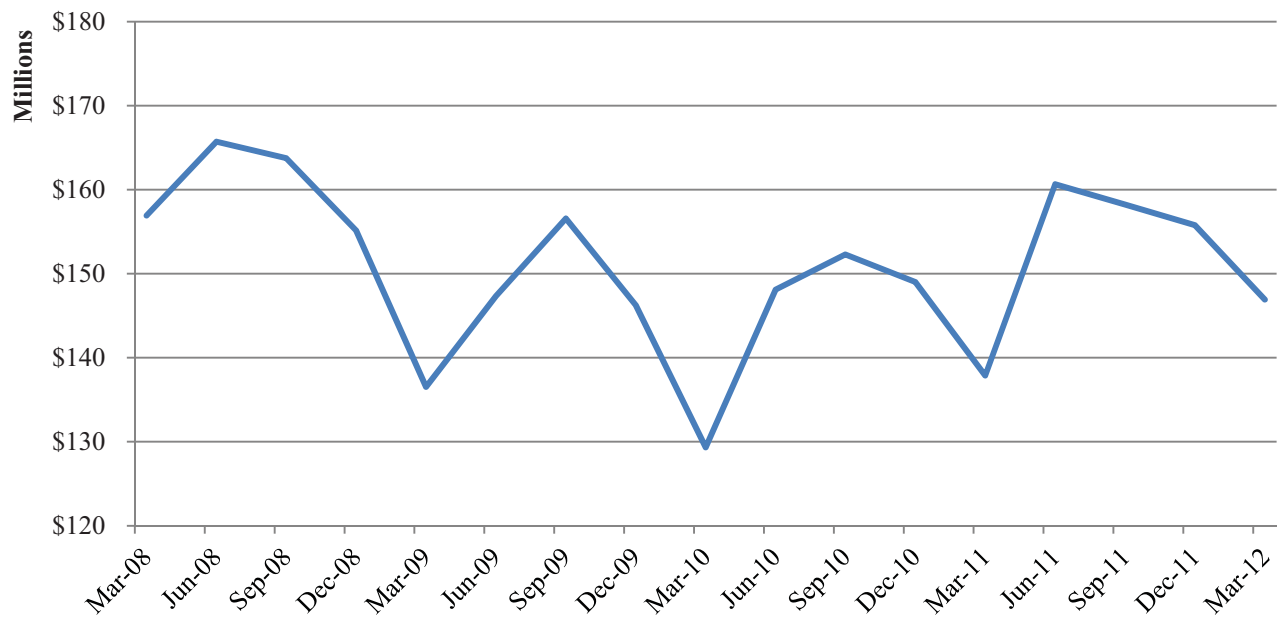
- Virginia statewide taxable sales;
- Fauquier County taxable sales;
- Fauquier County total taxable sales for business classifications with sales in excess of \$10 million at the beginning or end of the recession; and
- Fauquier County taxable sales in comparison to Prince William, Loudoun, and Culpeper Counties.

The County's taxable sales for FY 2012 are slightly ahead of Culpeper in value. In comparison to Prince William County, Fauquier County has less taxable sales value but the overall trend or rate of change is similar. Taxable sales for food services and drinking places and building material and garden equipment dealers continue to improve with food services and drinking places at pre-recession levels. Overall, taxable sales show a slow, but modest recovery trend for the County.



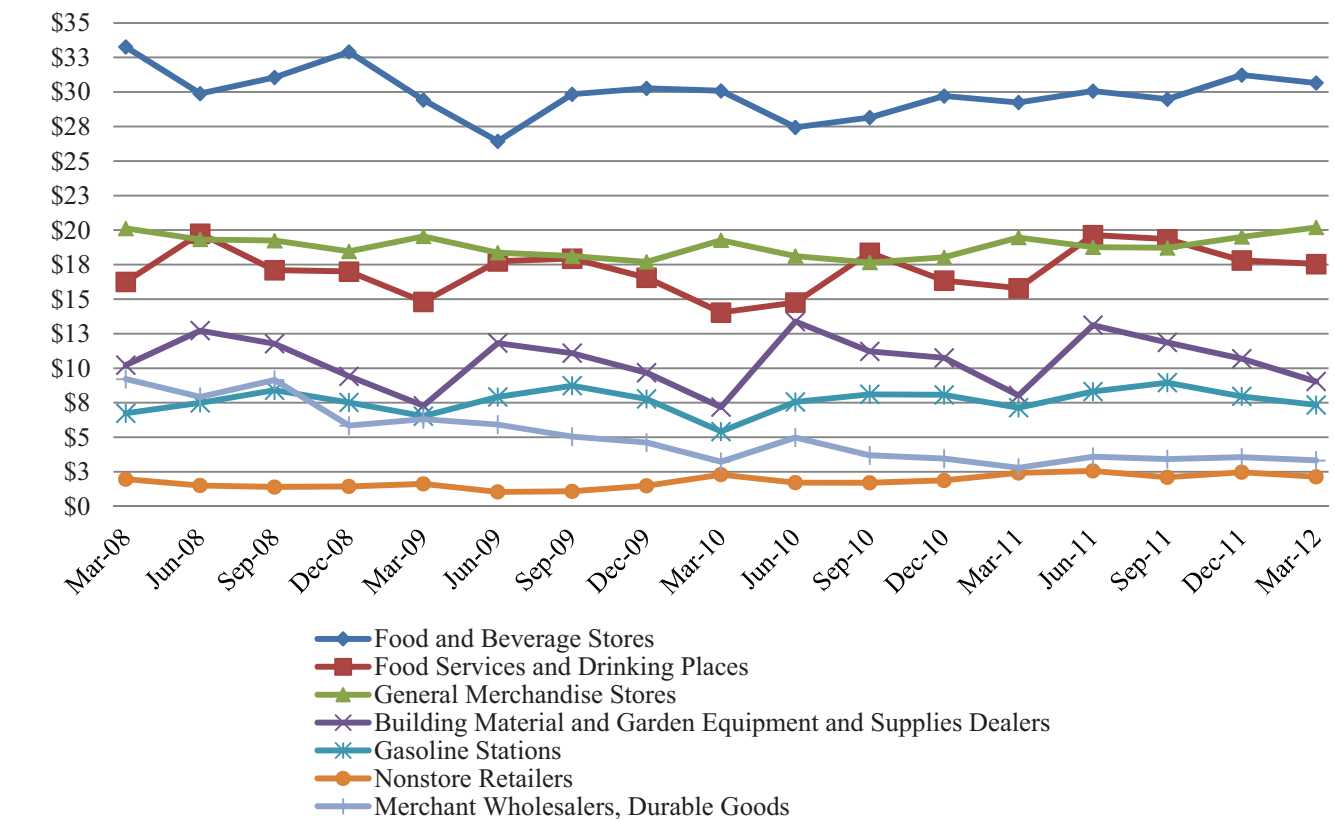


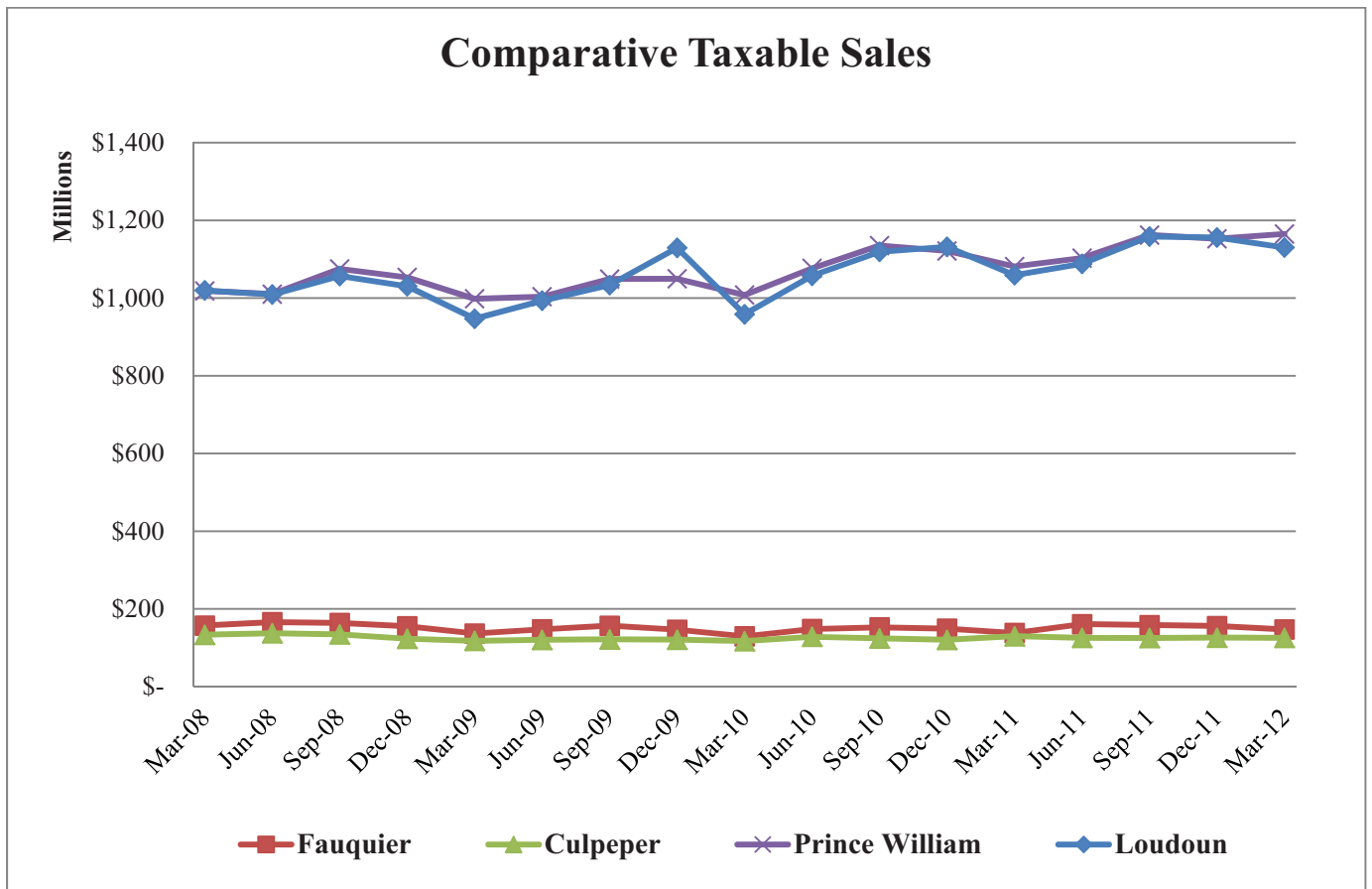
## Fauquier County Taxable Sales



## Fauquier County Taxable Sales

### Business classifications with taxable sales of \$10 million or greater





Source: Weldon Cooper Center for Public Service, UVA